

MAGAZINES INCORPORATED
PTE. LTD.,
Opposer-Appellant,

-versus-

SALLMETAL B. V.,
Respondent-Applicant-Appellee,
x-----x

APPEAL NO. 14-03-32

IPC No. 14-1998-00024
Opposition to:

Application Serial No. 98746
Date Filed: 06 March 1995

Trademark: "PEAK"

DECISION

This concerns Decision No. 2003-34 dated 30 September 2003 rendered by the Director of the Bureau of Legal Affairs (Director) denying the Opposition filed by MAGAZINES INCORPORATED PTE. LTD., (Appellant) to the application for registration of the mark PEAK filed by SALLMETAL B. V. (Appellee).

The main issue in this case is: Whether or not Appellee's trademark PEAK is confusingly similar to Appellant's trademark THE PEAK.

Records show that on 06 March 1995, Appellee filed with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT)¹ of the Department of Trade and Industry an application for registration of the mark PEAK for lamination and encapsulation machines, cutting machines, machines for the graphic industry and parts and accessories. The subject application was subsequently published for opposition in the Official Gazette,² which was released for circulation on 07 April 1998.

On 06 May 1998, Appellant filed an Unverified Notice of Opposition to the said application for registration of the trademark PEAK and subsequently, the Verified Notice of Opposition on 26 June 1998. Appellant alleged that it is the owner, registrant and/or applicant for registration of the trademark THE PEAK around the world for periodical publications, magazines and printed matter. It claimed that by virtue of its pending application filed on 15 April 1996 for registration in the Philippines and its prior registration and ownership of the same trademark around the world, said trademark has become distinctive of its goods and business. Appellant maintained that the registration and use of the confusingly similar trademark PEAK by the Appellee even on dissimilar goods will deceive and/or confuse the purchasers into believing that the latter's goods and/or products emanate from or are under the Appellant's sponsorship. Appellee's adoption, of the trademark PEAK, Appellant contended, was not in good faith, but is intended to trade and his trading on Appellant's goodwill such that the Appellee's registration and use thereof will diminish the distinctiveness and dilute the goodwill of the Appellant's trademark THE PEAK, and would violate the treaty obligations of the Philippines under the Paris Convention.³

Denying the allegations in the opposition, Appellee in its Answer argued that Appellant does not have lawful use in the Philippines of the mark THE PEAK and that it does not have any license to do business in the Philippines for which reason it does not have any legal capacity to bring any action against the Appellee. Appellee claimed that Appellant has no cause of action against it as the mark PEAK differs with the latter's mark in all aspect of word composition, manner of presentation, as well as concept, such that there can be no confusion, deception and/or mistake on the part of the buying public. Appellee pointed out that its application for the mark PEAK was filed on 06 March 1995, claiming priority on the basis of Benelux Trademark Registration dated 03 October 1994, for goods under Class 7 for lamination and encapsulation

machines, cutting machines, machines for the graphic industry, and parts and accessories. Appellant's application on the other hand, Appellee said, covers goods under Class 16 for periodical publications, magazines, and printed matters. The goods are so unrelated, Appellee maintained, that it is absurd to claim that any alleged goodwill generated by a magazine could benefit cutting machines or lamination machines. Citing that the Appellant's application was filed only on 15 April 1996 and that the Appellant has not used in lawful commerce in the Philippines the mark THE PEAK, the registration of the mark PEAK in favor of Appellee will not diminish or dilute the supposed goodwill of Appellant in its mark. Appellee also posited that since Appellant's mark is not internationally known as exclusively belonging to it and that it has not acquired any goodwill on representation in the Philippines, there can be no confusion, mistake on the part of, or deception employed against the buying public.

On 30 September 2003, the Director rendered the assailed Decision. On 04 November 2003, Appellant filed with the Office of the Director General an Appeal Memorandum alleging the following errors:

I.

THE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS
GRAVELY ERRED IN FINDING THAT NO CONFUSING
SIMILARITY EXISTS BETWEEN THE COMPETING MARKS
DESPITE THE FACT THAT SECTION 4(d) OF REPUBLIC ACT
NO. 166 DOES NOT DISTINGUISH THE ARTICLES COVERED
BY THE OPPOSING MARKS.

II.

RESPONDENT-APPLICANT/APPELLEE SHOULD BE
CONSIDERED TO HAVE VOLUNTARILY ABANDONED ITS
TRADEMARK REGISTRATION UNDER RULE 602 OF THE
RULES AND REGULATIONS ON TRADEMARKS.

Appellant argues that the Director erred in finding that no confusing similarity exists between the two marks. Appellant claims that under Section 4(d)⁴ of RA No. 166, no distinction is made by said law with respect to the goods or products covered by the confusingly similar marks. Appellant asserts that as long as the mark sought to be registered 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 to cause confusion or mistake or to deceive purchasers, the registration of that mark should be refused.⁵ Citing the case of *Sta. Ana vs. Maliwat*⁶, Appellant says that the provision does not require that the articles of manufacture of the previous user and the late user of the mark should possess the same descriptive properties or should fall into the same categories as to bar the latter from registering his mark in the principal register.⁷

Appellant also contends that Appellee should be considered to have voluntarily abandoned its trademark application under Rule 602⁸ of the Rules and Regulations on Trademarks. Appellant maintains that based on the records of the case, Appellee is deemed to have voluntarily abandoned the registration of its mark PEAK. It has been more than eight (8) years, Appellant claims, since counsel for the Appellee has heard from its client and that up to the present, Appellee has not shown any indication at all that it is still interested in pursuing the registration of its mark. Appellant also mentions that this Office can take judicial notice of the Bureau of Legal Affairs' ruling in IPC No. 14-00-00006 entitled *Societe Des Produits Nestle S. A. vs. Kang Na Hsiung Enterprise* whereby the application for the mark CARNATION & DEVICE was considered voluntarily abandoned.⁹

This Office issued an Order dated 06 November 2003 requiring the Appellant to submit the proper certification of non-forum shopping on or before 16 November 2003, and on the other

hand, for the Appellee, to file its Comment to the Appeal Memorandum and for the Director to transmit the records of this case within thirty (30) days from receipt thereof. While the Appellant filed the proper statement of non-forum shopping on 14 November 2003 and the Director transmitted the records of this case on 27 November 2003, the Appellee did not file its Comment. Accordingly, this Office issued an Order dated 02 February 2004 stating that the instant appeal is deemed submitted for decision pursuant to Section 8 of the IPO Uniform Rules on Appeal.

After due consideration of the foregoing and review of the records, this Office finds this appeal not meritorious.

The Appellee filed the application for registration of the mark PEAK under the provisions of Section 37 of RA No. 166¹⁰. As Appellee has already submitted a copy of the certificate of registration of the mark PEAK in Benelux, the trademark examiner concerned recommended the allowance of Appellee's application and the publication of the said application for purposes of opposition. Appellant, thereafter, timely filed an opposition, which the Director subsequently denied.

As regards the first assigned error, this Office agrees with the Director that no confusing similarity exist between the competing marks.

In opposition proceedings, the opposer is deemed to be in the position of a plaintiff,¹¹ who has the burden of proving his material allegations. In this case, Appellant has the burden to prove that Appellee's trademark is confusingly similar to its trademark. However, the records of this case do not show that Appellant has introduced evidence to prove the confusing similarity of the two marks as to cause confusion, mistake and deception to the purchasing public.

Appellant presented the affidavit of its managing director to prove that it has factual and legal grounds to oppose the application for registration of Appellee's trademark PEAK. But other than the self-serving statement of its witness of "worldwide promotion, advertising and popularizing of its trademark THE PEAK through a glossy magazine that it publishes periodically"¹², Appellant failed to show how registration of the trademark PEAK for lamination and encapsulation machines, cutting machines, machines for the graphic industry and parts and accessories can cause confusion, mistakes or deceive purchasers. The likelihood of confusion claimed by the Appellant must be proven by substantial evidence. While Appellant presented various certificates of registrations of the mark THE PEAK in different countries around the world, these certificates of registrations, however, are for the class of goods involving periodical publications, magazines, and printed matter and none for the class of goods covered by the Appellee's trademark application. Moreover, Appellant's pieces of evidence do not even prove that Appellant has been using the trademark THE PEAK in the Philippines prior to the Appellee's application for registration of the mark PEAK.

In case of *Faberge, Inc. vs. Intermediate Appellate Court, et al.*,¹³ the Supreme Court has ruled that confusion or likelihood of deception to the average purchaser is unlikely in goods that are non-competing and unrelated. Citing the case of *Esso Standard Eastern, Inc. vs. Court of Appeals*¹⁴, the Court held that:

"In the situation before us, the goods are obviously different from each other – with 'absolutely no iota of similitude' as stressed in respondent court's judgment. They are so foreign to each other as to make it unlikely that purchasers would think that petitioner is the manufacturer of respondent's goods. The mere fact that one person has adopted and used a trademark of his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind."

In the case at bar, there is a great difference in the products involved. Appellant's trademark THE PEAK covers goods, which include periodical publications, magazines and printed matter while the Appellee's trademark PEAK covers goods for lamination and encapsulation machines, cutting machines, machines for the graphic industry and parts and

accessories. Their goods are so unrelated that purchasers would not in any probability mistake one as the source or origin of the product of the other. The ordinary purchaser must be thought of, as having, and credited with, at least a modicum of intelligence.¹⁵ It does not defy common sense to assert that a purchaser would be cognizant of the product he is buying.¹⁶

In addition, during the proceedings in the Bureau of Legal Affairs, Appellee has been declared as in default and Appellant was directed to present its evidence ex parte. Appellant has, therefore, all the opportunity to adduce evidence to prove that the registration of Appellee's trademark PEAK will likely cause confusion, mistake and deception to the public. But aside from such self-serving affidavit and foreign registrations on the mark THE PEAK for periodical publications, magazines and printed matter, Appellant failed to present any evidence to overcome the burden of proof that the two marks are confusingly similar. Appellant did not even bother to present evidence that it has previously used in the Philippines the mark THE PEAK prior to the filing of the Appellee's trademark application. What is evident on record is that Appellee even has an earlier filing date of the application for registration of the mark PEAK than the trademark application for THE PEAK by the Appellant. Appellee's trademark application was filed on 06 March 1995 while the Appellant's trademark application was filed only on 15 April 1996.

With respect to the second alleged error, this Office has observed that the Appellant itself pointed out the difference of the case of Societe Des Produits Nestle S.A. vs. Kang Na Hsiung Enterprise, which it cited in support of which appeal, with the case at bar. In the former, the applicant did not even bother to file an answer to the opposition and was thereafter declared in default. In this instance, the counsel for the Appellee filed an answer to the opposition. While it is true that counsel for the Appellee admitted that it has at present no communication with its client, such fact is not enough to deny the application for registration of a trademark, which duly complied with the requirements provided for by the applicable laws. The former case is therefore, not similar with the case at bar. The instant case is still governed by RA No. 166 and this Office is constrained to rule according to the provisions of the said law. Appellee has complied with the requirements for the allowance of the application for registration of the mark PEAK and this Office has to give due course to the said application. Appellant failed to overcome the burden of proving that Appellee's application for registration of the mark PEAK is not entitled to registration and the said mark is confusingly similar to its trademark. Appellee's application for registration of the mark PEAK should, therefore, be given due course.

As held by the Supreme Court in the case of Emerald Garment Manufacturing Corporation vs. Court of Appeals¹⁷

“In the history of trademark cases in the Philippines, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set rules can be deduced. Each case must be decided on its own merits.”

The facts of the instant case differ from the facts of the case of Societe Des Produits Nestle S. A. vs. Kang Na Hsiung Enterprise and should be resolved according to its merits.

WHEREFORE, premises considered, the instant appeal is DENIED and the Decision of the Director of the Bureau of Legal Affairs is hereby AFFIRMED. Let copies of this Decision as well as the trademark application and records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let the Directors of the Bureau of Trademarks, and the Administrative, Financial and Human Resources Development Services Bureau be furnished copies hereof for information and guidance.

SO ORDERED.

December 8, 2004, Makati City.

EMMA C. FRANCISCO
Director General

FOOTNOTES:

1 Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, abolished the Bureau of Patents, Trademark and Technology Transfer and transferred its functions to the Intellectual Property Office.

2 Volume X, No. 4, Page 47, July-August, 1997.

3 The Paris Convention is a multilateral treaty that seeks to protect industrial property consisting of patents, utility models, industrial designs, trademarks, service marks, trade names and indications of source or appellations of origin, and at the same time aims to repress unfair competition. It is essentially a compact among various countries which, as members have pledged to accord to citizens of the other member countries trademark and other rights comparable to those accorded their own citizens by their domestic laws for an effective protection against unfair competition. The Philippines' adherence to the Paris Convention became effective on 27 September 1965.

4 "Sec. 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 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 services of the applicant, to cause confusion or mistakes or to deceive purchasers; or".

5 APPEAL MEMORANDUM, pp. 14-15.

6 24 SCRA 1018 (1968)

7 APPEAL MEMORANDUM, p. 15.

8 Rule 602 of the Trademark Regulations provides that:

"Rule 602. Applicant supposed to look after his own interests. The Office, represented by the Examiner, is not supposed to look after the interest of an applicant. The law imposes that duty upon the applicant himself. The Examiner is charged with the protection of the interests of the public and hence must be vigilant to see that no registration issues for a mark contrary to law and these Regulations."

9 APPEAL MEMORANDUM, pp. 16-17.

10 Entitled "AN ACT TO PROVIDE FOR THE REGISTRATION AND PROTECTION OF TRADEMARKS, TRADE-NAMES AND SERVICE-MARKS, DEFINING UNFAIR COMPETITION AND FALSE MARKING AND PROVIDING REMEDIES AGAINST THE SAME, AND FOR OTHER PURPOSES,"

Section 37 thereof provides in part, as follows:

"Sec. 37. Rights of foreign registrants – Persons who are nationals of, domiciled in, or have a bona fide or effective business or commercial establishment in any foreign country, which is a party to any international convention or treaty relating to marks or trade-name or the repression or unfair competition to which the Philippines may be a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such convention and treaties so long as the Philippines shall continue to be a party thereto, except as provided in the following paragraphs of this section.

No registration of a mark or trade-name in the Philippines by a person described in the preceding paragraph of this section shall be granted until such mark or trade-name has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

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The registration of a mark under the provisions of this section shall be independent of the registration in the country of origin and the duration, validity or transfer in the Philippines of such registration shall be governed by the provisions of this Act.

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11 Regulations on Inter Partes Proceedings, Sec. 2.

12 See Exhibit C, inclusive of submarkings.

13 G.R. No. 71189, 04 November 1992.

14 116 SCRA 336 (1982).

15 Fruit of the Loom, Inc. vs. Court of Appeals and General Garments Corporation, G.R. No. L-32747, 29 November 1984.

16 Acoje Mining Co., Inc. vs. Director of Patents, 38 SCRA 480 (1971).

17 251 SCRA 600 (1995).