

MEGALODON MANUFAKTUR AB,
Opposer,

IPC NO. 14-2008-00082
Case Filed: 08 April 2008
Opposition to:
Appln. Serial No. 4-2007-006314
Date Filed: 19 June 2007
Trademark: DR. DENIM

-versus-

MA. JOYCE B. DEL MORAL,
Respondent-Applicant.

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Decision No. 2009-78

DECISION

For decision is the Notice of Opposition filed by Megalodon Manufaktur AB (the "Opposer") against Application Serial No. 4-2007-006314 filed by Ma. Joyce B. Del Moral (the "Respondent-Applicant") on 19 June 2007 for the registration of the mark DR. DENIM covering goods in Class 25 specifically for "clothing namely t-shirt, blouse, polo, polo shirt, denims, pants & jacket, casual dress jackets, vests and coats for men, women and children; footwear, namely casual, formal, rubber, athletic, and leather shoes" upon the ground that the mark DR. DENIM is identical with and/or confusingly similar to Opposer's trademark DR. DENIM and variations thereof.

Opposer, Megalodon Manufaktur AB (hereafter, the "Opposer") is a Swedish company with business address at Karl Johansgatan 152 SE-414 51 Goteborg, Sweden.

Respondent-Applicant, MA. JOYCE B. DEL MORAL, is a single proprietor, with business address at 257 Col. Miguel Ver St., Little Baguio, San Juan, Metro Manila.

On 08 April 2008, Opposer filed the instant Opposition against Respondent-Applicant's application for registration of the registration of the trademark DR. DENIM for goods under Class 25, specifically for "clothing namely t-shirt, blouse, polo, polo shirt, denims pant & jacket, casual dress jackets, vests and coats for men, women and children; footwear, namely casual, formal, rubber, athletic, and leather shoes".

On 05 May 2008, this Bureau issued a Notice to Answer, a copy of which together with the Opposition was sent to Respondent-Applicant. The Notice to Answer required Respondent-Applicant to submit her Verified Answer within thirty (30) days from receipt thereof.

Respondent-Applicant filed her Answer of 26 May 2008.

Grounds for Opposition

Opposer filed the instant Opposition based on the following grounds:

1. "The trademark "Dr. Denim" is confusingly similar to Opposer's trademark "DR. DENIM", which is a "well-known" mark within the meaning of Section 123 (e) of Republic Act 8293 and hence cannot be registered in the name of Respondent-Applicant. Opposer's mark "DR. DENIM" and its related trademarks "DOCTOR DENIM", "DR. DENIM CROSS, MALTESE", "DR. DENIM JEANMAKERS", "DR. DENIM LOGO" have been used in commerce and registered under International Classes 3, 18, 25 and 35 since 2004 in Sweden, its Home Country as well as in the rest of the European Community and in other jurisdictions including Australia, Brazil, Hong Kong, Indonesia, Madrid Protocol, Malaysia, New Zealand, Norway, South Africa, Taiwan and Thailand amongst others. Opposer's trademark "DR. DENIM" and its related marks have not been abandoned and the use by Respondent-Applicant of a confusingly similar mark

would likely cause deception, confusion and mistake on the part of the purchasing public, when applied to or used in connection with the goods of the Respondent-Applicant.

2. "The Respondent-applicant intentionally and fraudulently applied for registration of the mark "Dr. Denim" to take advantage of the popularity and goodwill generated and connected with the Opposer's world-famous "DR. DENIM" trademark. There are limitless designs and logos available, yet Respondent-Applicant chose to adopt the "Dr. Denim" mark already made popular by the Opposer undoubtedly to confuse, mislead, or deceive purchasers into believing that the goods of Respondent-Applicant are those of the Opposer.

3. "The use and adoption in bad faith by Respondent-Applicant of the mark "Dr. Denim" would falsely tend to suggest a connection with the Opposer and would therefore, constitute fraud on the general public and further cause dilution of the distinctiveness of the Opposer's mark to the prejudice and irreparable damage of the Opposer.

4. "Respondent-Applicant has no bona fide commercial use in the Philippines or in any other jurisdiction of the mark "Dr. Denim".

5. "The trademark "DR. DENIM" of the Opposer is and ever since its adoption has been continuously applied to products of the Opposer. The trademark "DR. DENIM" has come to be and is now popularly known throughout the world and in the Philippines such that Opposer's products bearing said mark have become identified as coming from Opposer herein. Hence, the tremendous goodwill established by the said mark nurtured through its prior use, the superior quality of its products and public acceptance is an invaluable asset of the Opposer that must be protected from trademark infringement, unfair competition, and dilution.

6. "The registration of the trademark "Dr. Denim" in the name of the Respondent-Applicant will violate Sections 123 and 147 of Republic Act 8293 ("IP Code"); Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property; and GATT-TRIPS Agreement, to which the Philippines and France are parties.

7. "The registration by Respondent-Applicant of the trademark "Dr. Denim" will diminish the distinctiveness and goodwill of the Opposer's trademark "DR. DENIM".

8. "The registration of the trademark "Dr. Denim" in the name of Respondent-Applicant is contrary to other provisions of Republic Act 8293.

Opposer relied on the following facts to support its opposition:

- (a) "Opposer is the registered owner of the trademark "DR. DENIM" and its related trademarks "DOCTOR DENIM", "DR. DENIM CROSS, MALTESE", "DR. DENIM JEANSMAKER", "DR. DENIM LOGO" as evidenced by various Certificates of Registration issued in its name worldwide. These worldwide registrations of the Opposer for the said mark have not been abandoned and are currently in force.
- (b) "Opposer has adopted and has been in continuous use of the trademark "DR. DENIM" in international trade and commerce long before Respondent-Applicant filed the application subject of the instant opposition. Opposer's trademark "DR. DENIM" is likewise widely known in the Philippines for goods falling under Classes 3, 18 and 25 and 35.
- (c) "The trademark which Respondent-Applicant seeks to register is likely to cause confusion, mistake and deception to the public as to the source or origin of Respondent-Applicant's goods.

- (d) "Opposer has invested tremendous amount of resources in the promotion of its "DR. DENIM" trademark as a result of which said mark has gained local as well as international popularity and repute.
- (e) "In view of the prior adoption, use and worldwide trademark registrations for the "DR. DENIM" trademark of the Opposer, Respondent-Applicant is clearly not entitled to register the trademark "Dr. Denim" in its favor.
- (f) "The registration of the trademark subject of the instant opposition will undoubtedly violate Opposer's rights and interests in its trademark "DR. DENIM" as well as its related marks "DOCTOR DENIM", "DR. DENIM CROSS, MALTESE", "DR. DENIM JEANSMAKERS", "DR. DENIM LOGO", cause confusion between Opposer's and Respondent-Applicant's businesses and products, and will most assuredly result in the dilution and loss of distinctiveness of Opposer's "DR. DENIM" trademark.

The Notice to Answer dated 05 May 2008 was sent to Respondent-Applicant, directing Respondent to file her Verified Answer within thirty (30) days from receipt thereof. Respondent-Applicant filed her Answer on 23 May 2008.

Respondent in her Answer interposed the following ADMISSIONS and DENIALS:

1. "Respondent-Applicant denies the personal circumstances of the Opposer for lack of knowledge to support the same;
2. "Respondent-Applicant admits the allegations that:
 - a) "Respondent-Applicant Ma. Joyce B. Del Moral resides in 257 Col. Miguel Ver St., Little Baguio, San Juan City;
 - d) "Respondent-Applicant is the applicant for the mark DR. DENIM under Class 25;
 - c) "The mark DR. DENIM was published in the IPO E-Gazette on 07 December 2007;
 - d) "Respondent-Applicant has no bona fide commercial use of the mark in the Philippines as stated in paragraph IV but qualifies that it is not being used because of the present opposition. If the present is subsequently allowed, Respondent-Applicant will commercially use the same;
3. "Respondent-Applicant denies the allegations stated under GROUNDS I to III, V to VIII and AFFIRMATIVE ALLEGATIONS paragraph 1 to 8 for lack of information or knowledge as the same are conclusions of law and fact and not allegations of fact. The denial is subject to the special defenses raised hereinafter;

and by way of special affirmative defenses stated the following, to wit:

4. "Respondent-Applicant states that she was not aware of Opposer's alleged marks DR. DENIM, DOCTOR DENIM, DR. DENIM CROSS MALTESE, DR. DENIM JEANSMAKERS and DR. DENIM LOGO, and came to know of them only upon receipt of their Verified Notice of opposition;
5. "Respondent-Applicant states that she was not aware of Opposer's marks' registration in Sweden and other countries stated in paragraph I of the Opposition;

6. "Respondent-Applicant at the time the application was filed in good faith without any intent to cause deception, confusion to the public and with no intent to defraud the Opposer because of lack of knowledge of their marks;
7. "Respondent-Applicant denies the mark of Opposer's DR. DENIM, DOCTOR DENIM, DR. DENIM CROSS MALTESE, DR. DENIM JEANSMAKERS and DR. DENIM LOGO are well-known because Respondent-Applicant has no personal knowledge of Opposer's marks;
8. "In addition, Section 123 (e) of the Intellectual Property Code of the Philippines states that a mark is not registrable when:

"e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by 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."
9. "Opposer has not shown any documentary evidence to prove that the mark DR. DENIM is well known in the Philippines and internationally except for their self-serving statements and conclusions in their Affidavit;
10. "Opposer did not show knowledge of the relevant public sector of their company or their mark;
11. "Opposer also did not show that the Philippines has knowledge of Opposer's mark neither did they show that their mark has been promoted in the Philippines;
12. "Respondent-Applicant denies that Opposer is the registered owner of the mark DR. DENIM because of lack of any trademark registration in the Philippines as well as in other countries. No trademark registration has been submitted by Opposer in their Opposition as well as their Affidavits, Annexes and Exhibits attached therein;
13. "Opposer has not shown use of the mark DR. DENIM in international trade and commerce and the Philippines. The advertisements attached in the Opposition/Affidavit are not certified true copies of the original as required under the Rules;
14. "Opposer's failure to prove ownership belies their allegations of the use, goodwill and interest in the mark DR. DENIM;
15. "Respondent-Applicant also manifests that the alleged labels of Opposer's mark actually used in commerce has not been submitted and/or furnished to the former. This also puts to lie Opposer's allegation of use;
16. "Opposer has not shown ownership, prior use or adoption other than the self-serving statements made by the Alexander Graah in his Affidavit, which Respondent-Applicant formally denies;

17. "Respondent-Applicant states that the alleged advertisements submitted and marked under Exhibit F-series should not be admitted as evidence because they are not certified true copy of the original documents;
18. "Business goodwill in the Philippines is established by actual use in commerce in the Philippines. As held by the Supreme Court in the case of Kabushiki Kaisha Isetan vs. Intermediate Appellate Court (G.R. No. 75420, 15 November 1991) -

"A fundamental principle of Philippine Trademark Law is that actual use in commerce in the Philippines is a pre-requisite to the acquisition of ownership over a trademark or a tradename.

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The records show that the petitioner has never conducted any business in the Philippines. It has never promoted its trademark or tradename in the Philippines. It has absolutely no business goodwill in the Philippines."

19. "Furthermore, promotion or advertisement is not considered use as held by the Supreme Court in the case of Sterling Products International Inc. vs. Farbenfabriken Bayer Aktiengesellschaft (GR No. L-19906, 30 April 1969) which states therein -

"Adoption alone of a trademark would not give exclusive right thereto. Such right grows out of their actual use. Adoption is not use. One may make advertisements, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use. For trademark is a creation of use. The underlying reason for all these is that purchasers have come to understand the mark as indicating the origin of the wares. Flowing from this is the trader's right to protection in the trade he has built up and the goodwill he has accumulated from use of the trademark."

20. "No goodwill or reputation can be created by the mere registration of the mark in other jurisdiction. In order to complete one's trademark rights in the Philippines, it must be registered and used in the Philippines.
21. "Respondent-Applicant further alleges that no Annex "E" was submitted or included by the Opposer in their Opposition/Affidavit.
22. "Respondent-Applicant states that she originally came up the idea for the mark DR. DENIM;
23. "On the other hand, Respondent-Applicant has better right over Opposer as Section 122 of the Intellectual Property Code of the Philippines states that the rights in a mark shall be acquired through registration made validly in accordance with the provisions of the law;

Likewise, Respondent-Applicant further alleged the following, thus:

24. "The notice of opposition should be dismissed and the affidavit removed from the record because pursuant to IO MNO 2008-029, Order No. 2008-369, the final extension granted by the Honorable Bureau of the Opposer was 05 April 2008. Because said date falls on a Saturday, the deadline for the submission of the Opposition and all evidence in support thereof should be filed on Monday, 07 April 2008;

25. "The records will show that the Notice of Opposition was filed on 08 April 2008 which is already passed the deadline to submit the Opposition;

Filed as evidence for the Opposer, based on the records, are the following:

1. Special Power of Attorney - *Exhibit "A"*
2. Affidavit of Alexander Graah - *Exhibit "B"*
3. List of Opposer's retail outlets in various countries throughout the world
4. Detailed history of the DR. DENIM trademark - *Exhibit "C"*
5. Details of turnover figures (in US Dollars) at retail level from 2005 to 2007 in respect of each of the major countries/markets - *Exhibit "D"*
6. List of advertisements - *Exhibit "E"*
- *Exhibits "F" to "F-21"*

Filed likewise for Respondent-Applicant were the following: Verified Answer (*Exhibit "A"*); Affidavit of Ma. Joyce B. Del Moral (*Exhibit "B"*); Certified true copy of MNO 2008-029 Order No. 2008-369 consisting of two pages (*Exhibit "C"*)

Issues

The issues to be resolved in the instant Opposition case are:

- (a) Whether or not Respondent-Applicant's trademark "Dr. Denim" for use on goods falling under Class 25 specifically for "clothing namely t-shirt, blouse, polo, polo shirt, denims pant & jacket, casual dress jackets, vests and coats for men, women and children; footwear, namely casual, formal, rubber, athletic, and leather shoes" is confusingly similar to Opposer's DR. DENIM JEANSMAKERS LOGO for clothing and footwear under Class 25, specifically shirts, underwear; footwear, namely shoes, boots and hikers; headgear, namely hats and caps"; and
- (b) Whether or not Respondent-Applicant's trademark application for "Dr. Denim" should be granted registration.

Before dwelling on issues about confusing similarity in the case at bar, this Bureau finds it imperative to delve on or first determine the other issues raised by Respondent-Applicant. Respondent-Applicant alleged in her Verified Answer, specifically in paragraph 26 and 27 that:

"The notice of opposition should be dismissed and the affidavit removed from the record because pursuant to IPO MNO 2008-029, Order No. 2008-369, the final extension granted by the Honorable Bureau of the Opposer was 05 April 2008. Because said date falls on a Saturday, the deadline for the submission of the Opposition and all evidence in support thereof should be filed on Monday, 07 April 2008";

"The records will show that the Notice of Opposition was filed on 08 April 2008 which is already passed the deadline to submit the Opposition;

Explicit under our Implementing Rules and Regulations on Inter Partes Proceedings, specifically Section 4, Rule 7 that the filing of the verified opposition can be extended for good cause shown but in no case shall the filing of the subject opposition exceed four (4) months from the date of release of the IPO Gazette which publishes the mark for opposition. The Bureau notified Opposer of the final extension of thirty (30) days granted by virtue of Order No. 2008-369. The filing by Opposer of the Verified Opposition on April 08, 2008 was within the 4 month-period allowed by law to file the same, April 07, 2008 having been declared a "non-working

holiday” as per Malacañang announcement, hence, the filing of the Opposition on April 08, 2008 was considered as having been filed on April 07, 2008.

Referring now to main issue of confusing similarity, the same requires a careful comparison and scrutiny of the marks involved; to determine the points where these labels as they appear on the goods to which they are attached are similar, in spelling, sound and manner of presentation or general appearance. There can be no doubt that the competing marks are similar, in fact obviously identical, in most all of their essential or prevalent features. Both marks are printed in horizontal form using bold letters. Opposer has the DR. DENIM trademark written in upper case letters with accompanying word JEANSMAKERS but highlighting the word DR. DENIM, vis-à-vis Respondent-Applicant’s Dr. Denim which have all the letters printed in the same horizontal form using lower case letters except in the printing of the letter D which used the upper case letters. Below is a side-by-side comparison of the marks involved:



Dr. Denim

Opposer’s DR. DENIM trademark
As shown in Application No. 42008008447

Respondent’s Dr. Denim trademark
as shown in Application No. 42007006314

In the present opposition proceeding, it is undeniable that the competing marks of Opposer and Respondent-Applicant both bear the word DR. DENIM. Although as established in several jurisprudence, that the mere adoption and use of one person of a trademark will not automatically prevent another from adopting and using the same trademark, a careful review and consideration of the facts and evidence presented should be taken in determining whether likelihood of confusion is likely to arise by the adoption of the same trademark.

Notwithstanding the other essential features in Opposer’s DR. DENIM JEANSMAKERS LOGO mark, the word DR. DENIM dominates the whole appearance of Opposer’s trademark which constitutes, on the other hand, the entire mark of Respondent-Applicant’s DR. DENIM mark. It is noteworthy to cite at this juncture the ruling of the Supreme Court in the cases of C Tiong Sa v. The Director of Patents (95 Phil 1 (1954); Sapolin Corp. vs. Balmaceda (67 Phil. 705); and Forbes Nurma & Co. vs. And san To (40 Phil 272) which applied the dominancy test in determining the existence of confusing similarity between trademarks, that “if there is similarity with the essential or dominant feature of the trademarks, that “if there is similarity with the essential or dominant feature of the trademark, despite some differences or variations in detail, *there is infringement.*”

Having shown and proven resemblance and/or confusing similarity of the two marks involved, we now delve on the mater of priority in use and registration which certainly has decisive effect in the adjudication of the case.

With R.A. 8293 as basis of registrability, this Bureau adheres to the First-to-File Rule and applying specific provisions of R.A. 8293 (Sec. 122 and Sec. 127), records will show that as between the parties, Respondent’s application has an earlier filing date in 2007 in the Philippines, with Opposer’s filing substantially the same mark one (1) year later, more or less. Respondent’s mark DR. DENIM was filed on 19 June 2007 while Opposer’s application for

substantially the same mark DR. DENIM JEANSMAKERS LOGO came a year later or on 15 July 2008. Respondent-Applicant's earlier application for substantially the same DR. DENIM trademark was for similar goods. Specifically, Respondent-Applicant's goods under Application Serial No. 4-2007-006314 cover the following:

Clothing, namely t-shirts, blouse, polo, polo shirt, denims pant & jackets, casual and dress jackets, vests and coats for men, women and children; footwear, namely casual, formal, rubber, athletic, and leather shoes (Class 25).

While, Opposer's products subject of the instant suit include the following:

Clothing, namely jackets, parkas, trousers, slacks, shorts, socks, stockings shirts, underwear; footwear, namely shoes, boots and hikers; headgear, namely hats and caps (Class 25).

Obviously, they are the same, wearing apparel and footwear products. Confusion is likely and/or inevitable when identical or substantially similar marks are applied on similar goods. It is expected that they will be sold commercially in the same market and have the same or common purchasers. Concomitantly the goods flow through the same channels of trade.

A cursory reading of paragraph (d) of R.A. 8293 with emphasis on prior registration and/or application of the same mark states that:

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

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- (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;"*

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An examination of the documentary evidence confirms Respondent's earlier application of the mark DR. DENIM for goods under Class 25. Between the two contending parties, trademark application of Respondent came earlier by more or less one year vis-à-vis Opposer's application in 2008. In the instant case, it is Respondent-Applicant and not Opposer which showed and presented proof of an earlier application in the Philippines which was not rebutted by Opposer. Moreover, the alleged registrations of Opposer's DR. DENIM JEANSMAKERS LOGO were obtained and its use were shown abroad. Also, the attached documents such as list of Opposer's retail outlets in various countries, details of turnover figures, advertisement and articles relating to "DR. DENIM" trademark are mere photocopies and are not in compliance with the requirements of Office Order No. 79, that evidence should either be original or certified true copies. Additionally, the sampling attached in Opposer's position paper showing evident bad faith on the part of Respondent by usurping trademarks well-known abroad including Opposer's DR. DENIM JEANSMAKERS LOGO trademark, were all photo or machine copies.

Based on the foregoing and despite allegation of prior use and registration by Opposer of DR. DENIM JEANSMAKERS LOGO abroad, this Bureau resolves to allow trademark registration of the mark DR. DENIM in the name of Respondent-Applicant, Ma. Joyce Del. Moral.

WHEREFORE, based on the foregoing facts and the evidence, the Notice of Opposition filed by herein Opposer is, as it is hereby, DENIED. Accordingly, application bearing Serial No. 4-

2007-006314 for the mark "DR. DENIM" filed on 19 June 2007 for goods under Class 25 is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of DR. DENIM, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 10 June 2009.

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