

NEXT RETAIL LTD.
Opposer,

IPC No. 14-2008-00307
Opposition to:

- versus -

Appl'n No.: 4-2008-500327
Date Filed: April 22, 2008
Trademark: "NX"

ILLINOIS TOOL WORKS INC.
Respondent-Applicant,
x-----x

Decision No. 2009-97

DECISION

This pertains to a Verified Opposition filed on 21 November 2008 by herein opposer, Next Retail Limited, a corporation duly organized and existing under the laws of United Kingdom with business address at Desford Road, Enderby, Leicester, United Kingdom, against the application filed on 22 April 2008 bearing Serial No. 4- 20080500327 for the registration of the trademark "NX" used for goods in Class 26 for plastic buckle and plastic hardware components, namely buckles, side release buckles, slide fasteners, snap fasteners, strap adjusters, cord locks, cam buckles, snap hooks, center release buckles, tourniquet buckles, double bar buckles, d-rings and slide adjustment buckles, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 29 August 2008.

The respondent-applicant in this instant opposition is Illinois Tool Works, Inc. of 3600 West lake Avenue, Glenview, Illinois 60026, United States of America.

The grounds for the instant opposition are as follows:

- "1. The registration of the mark "Nx" in favor of Respondent-Applicant is contrary to the provisions of Republic Act 8293 otherwise known as the Intellectual Property Code of the Philippines x x x
2. The registration of the said mark in favor of the Respondent-Applicant is contrary to the commitments of the Philippines under the Paris Convention for the Protection of Industrial Property, as amended, x x x
3. Herein Opposer's "NEXT" trademark is well-known internationally and in the Philippines and the registration of a confusingly similar mark in the name of the Respondent-Applicant covering the same, similar, identical and related goods will undoubtedly cause grave and irreparable damage and injury to the Opposer."

The allegations of facts are as follows:

- "1. Opposer is the registered owner of the trademark "NEXT" in various jurisdictions as evidenced by various Certificates of Registration issued in its name worldwide. These worldwide registrations of the said Opposer for the said mark have not been abandoned and are currently in force. Attached as Annex "A" is a listing of the trademark registrations and applications issued and applied for in countries worldwide in the name of herein Opposer. 2. In the Philippines, Opposer's parent company, NEXT GROUP PLC, applied for the registration of the mark "NEXT" covering International Classes 14, 18 and 25 under Application No. 4-2005- 020992 on the 8th of November 2005.
3. Opposer has adopted and has been in continuous use of the trademark "NEXT" in international trade and commerce long before Respondent-Applicant filed the application subject of the instant opposition. Opposers' goods bearing the "NEXT" mark are likewise

widely known in the Philippines and has gained tremendous popularity amongst local followers.

4. 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.

5. Opposer has invested tremendous amount of resources in the promotion of its "NEXT" trademark of the Opposer, Respondent-Applicant is clearly not entitled to register the trademark "Nx" in its favor.

6. In view of the prior adoption, use and worldwide trademark registrations for the "NEXT" trademark of the Opposer, Respondent-Applicant is clearly not entitled to register the trademark "Nx" in its favor.

7. The registration of the trademark subject of the instant opposition will undoubtedly violate Opposers rights and interest in their trademark "NEXT", cause confusion between Opposer and Respondent-Applicant's businesses and products, and will most assuredly result in the dilution and loss of distinctiveness of Opposer's "NEXT" trademark."

Subsequently, this Bureau issued Notice to Answer dated 04 December 2008 to respondent-applicant's counsel, requiring the filing of Answer within thirty (30) days from receipt. The notice was duly received on 16 January 2009, but despite sufficient lapse of time, this Bureau did not receive an Answer nor any motion related thereto from respondent-applicant's counsel on record. Thence, in accordance to Section 11 of Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter-Partes Proceedings, this instant case is deemed submitted for decision on the basis of the opposition and its evidence.

The issue –

Whether or not respondent-applicant's "Nx" trademark may be registered under Section 123.1 (e), Republic Act (RA) No. 8293 or the Intellectual Property Code.

Opposer anchored its opposition to the registration of respondent-applicant's trademark "NX" on Section 123.1 (e), RA No. 8293, to wit:

A mar cannot be registered if it:

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determination whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark; (Emphasis Ours.)

The foregoing provision has the following *concurring* requisites: (1) the trademark is identical with, or confusingly similar to, or constitutes a translation of the mark; (2) the mark should be used for identical or similar goods or services; and, (3) the opposer's mark is well-known internationally and in the Philippines, whether or not the said mark is registered in the Philippines.

The first requisite is the application of the principle of confusing similarity. The issue of confusing similarity requires the application of two kinds of tests – the Dominancy Test and the Holistic Test.

The Test of Dominancy, to which the Supreme Court has consistently relied upon, focuses on the similarity of the prevalent features, or the main essential and dominant features of the competing trademarks which might cause confusion or deception. This was applied in a litany of Supreme Court decisions including *Asia Brewery, Inc. vs. Court of Appeals*, 224 SCRA437; *Co Tiong vs. Director of Patents*, 95 Phil. 1; *Urn Hoa vs. Director of Patents*, 100 Phil. 214; *American Wire & Cable Co. vs. Director of Patents*, 31 SCRA 544; *Philippine Nut Industry, Inc. vs. Standard Brands, Inc.*, 65 SCRA 575; *Converse Rubber Corp. vs. Universal Rubber Products, Inc.*, 147 SCRA 154; and the Holistic Test developed in *Del Monte Corporation vs. Court of Appeals*, 181 SCRA 410; *Mead Johnson & Co. vs. N.V.J. Van Dorp, Ltd.*, 7 SCRA 771; *Fruit of the Loom, Inc. vs. Court of Appeals*, 133 SCRA405.

The Holistic Test, on the other hand, requires that the entirety of the marks in question be considered in resolving confusing similarity. Comparison of words is not the only determining factor. On the other side of the spectrum, the Holistic Test, as in the case of *Mighty Corporation vs. E & J Gallo Winery*, 434 SCRA 473, held that, "the discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

For comparison, the contending marks are reproduced hereunder:

NEXT

Nx

Opposer's Trademark

Respondent-Applicant's Trademark

A careful examination of the pictured marks reveal that what appears similar between opposer's mark "NEXT" and respondent-applicant's mark "Nx" is only the letter "N" in uppercase. The remaining letters in opposer's mark, "E", "X" and "T", all in uppercase, are not present in respondent-applicant's subject mark. Thus, taking the marks as they appear, including the similarity in the pronunciation and sound, no dominant feature is earmarked or retained in the mind of an ordinary purchaser. Looking at the entire appearance of the contending marks would manifest more their distinctions as coined marks. Thus, applying both the tenets of dominancy and holistic test, this Office finds no visual or aural similarity between opposer's "NEXT" and respondent-applicant's "Nx".

This resolution is moreover supported by the fact that the contending marks cover goods which are neither related nor competing in nature. Opposer's "NEXT" mark covers the following (Exhibit "B"): class 14 – precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments; class 18 - leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddler; and class 25 - clothing, footwear and headgear.

On the other hand, respondent-applicant's mark "Nx" cover class 26 goods (file wrapper records) consisting of plastic buckle and plastic hardware components, namely, buckles, side release buckles, slide fasteners, snap fasteners, strap adjusters, cord locks, cam buckles, double bar buckles, d-rings and slide adjustment buckles.

"At the outset, goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be

related because they serve the same purpose or are sold in grocery of flow through the same channel of trade." (2 Callman, Unfair Competition & Trade Marks, p. 1257)

The enumerated goods are far from having similarity in the descriptive properties, characteristics or attributes. Hence, the difference in classification. They do not serve the same purpose and therefore, do not involve the same class of consumers.

Finally, on the third concurring requisite under Section 123.1 (e), supra or "well-known mark", this Bureau finds it not necessary to delve in further discussion because the first two requisites as discussed in the preceding paragraphs were not met.

Following the cited laws and jurisprudence, this Bureau hereby resolves that herein opposer failed to prove sufficiently the grounds as alleged in its opposition.

WHEREFORE, premises considered the Verified Opposition filed by opposer Next Group PLC is, as it is hereby DENIED. Consequently, Application Serial No. 2008-500327 for the mark "Nx" filed by Illinois Tool Works, Inc. under class 26 for plastic buckle and plastic hardware components, namely buckles, side release buckles, slide fasteners, snap fasteners, strap adjusters, cord locks, cam buckles, snap hooks, center release buckles, tourniquet buckles, double bar buckles, d-rings and slide adjustment buckles filed on 22 April 2008, is as it is hereby, GIVEN DUE COURSE.

Let the file wrapper of "Nx" subject matter in this case together with a copy of this decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 29 July 2009.

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