

NEXT JEANS, INC.	}	IPC No. 14-2008-000208
Opposer,	}	Case filed: 11 September 2008
	}	Opposition to:
-versus-	}	App. Ser. No. 4-2006-002082
	}	Date Filed: 23 February 2006
WILHELMINA SANTOS	}	TM: "NEXT LEVEL OBJECTIVE"
Respondent-Applicant.	}	
x-----x		Decision No. 2009-114

## DECISION

This is an opposition case against the application for registration of the mark "NEXT LEVEL Objective" for use of RTW, pants, jeans and shirts under class 25 of the international classification of goods bearing Application Serial No. 4-2006-002082 which was published for opposition in the Intellectual Property Office Electronic Gazette officially released for circulation on 13 June 2008.

Opposer, NEXT JEANS, INC., is a domestic corporation with principal office at 1026-C R. Square Building, Roman Street, Binondo, Manila. On the other hand, Respondent-Applicant, WILHELMINA SANTOS, is a Filipino citizen with address at Las Buenas Building, Industrial Road, Potrero, Malabon City.

The grounds for Opposition to the registration of the mark are as follows:

"1. The approval of the application in question is contrary to Section 123.1 (d), 138 and 165 of the IP Code (Republic Act No. 8293.

2. As registered owner of the trademark NEXT, the approval of the application in question will violate Opposer's right to the exclusive use of its registered trademark and corporate and business/trade name and cause great and irreparable injury to it."

Opposer relied on the following set of facts to support its opposition:

"1. The trademark NEXT is duly registered in favor of Opposer under Registration No. 47510 issued on March 5, 1990, for use on pants, jeans, shirts, skirts, blouses, sandals, slippers, dresses, falling under Class 25.

Registration No. 47510 continues to be in full force and effect.

2. The trademark NEXT is duly registered in favor of Opposer under Registration No. 55791 on August 18, 1993, for use on leather goods namely, shoes, sandals, wallets, handbags; children's clothing namely, dresses, panty, shorts, t-shirts, blouses; fashion accessories namely, sunglasses, buckets, watches, belts, umbrellas, hankies falling under Classes 14, 18 and 25.

Registration No. 55791 continues to be in full force and effect.

3. Opposer has used and continues to use its registered trademark NEXT.

4. Opposer has advertised its products bearing the trademark NEXT.

5. In addition to its use of NEXT as a trademark, Opposer has also been using NEXT as the dominant feature of its corporate name, as well as of business name/trade name duly registered with the Department of Trade and Industry and the Bureau of Internal Revenue.

6. The dominant feature of the trademark NEXT LEVEL Objective being applied for registration by Respondent-Applicant, namely, NEXT is identical to Opposer's registered trademark NEXT and the dominant feature of its corporate and business/trade name, NEXT.

7. The goods covered by Respondent-Applicant's application, namely, RTW, pants, jeans and shirts, are identical to the goods covered by Opposer's Registration No. 47510 and Registration No. 55791.

Accordingly, the approval of the application in question is contrary to Section 123.1 (d) of Republic Act No. 8293.

8. The approval of the application in question violates the right of Opposer to the exclusive use of its trademark NEXT on the goods listed in the registration certificates issued to it.

9. In addition, the approval of the application violates Section 165 of the IP Code.

10. The use and registration by Respondent-Applicant of the trademark NEXT LEVEL Objective will likely cause confusion, mistake and deception, as the consuming public will likely think that Respondent-Applicant's goods come from and/or are authorized and licensed by the Opposer. In fact, the approval of the application in question has caused and will continue to cause great and irreparable damage and injury to Opposer and as such Respondent-Applicant is clearly not entitled to the registration of the mark NEXT LEVEL Objective in her favor."

Together with the Verified Notice of Opposition, Opposer filed a Compliance with Office Order No. 79, attaching therewith its pieces of evidence in support of the opposition, as follows:

Exhibits	Description of Documents
"A"	Certified copy of Opposer's Amended Articles of

	Incorporation
"B"	Certified copy of Opposer's Certificate of Registration No. 47510 issued on March 5, 1990 for the trademark NEXT
"C"	Certified copy of Opposer's Certificate of Registration No. 55791 issued on 18 August 1993 for the trademark NEXT
"D", "E" and "F"	Duplicate originals of the accepted Affidavit of Use submitted by Opposer last February 16, 1996; April 13, 2000; and January 10, 2006, respectively in connection with Registration No. 47510
"G" and "G"	Duplicate originals of the accepted Affidavit of Use submitted by Opposer last June 17, 1999 and April 2, 2004, respectively in connection with Registration No. 55791
"I" to "I-22"	Representative sales invoices of Opposer bearing the trademark NEXT
"J" to "J-2"	Photograph of Opposer's goods bearing its trademark NEXT
"K" to "K-5"	Photographs and advertising contracts of Opposer's products bearing the trademark NEXT
"L" to "L-3"	Certificates of Registration of the business name NEXT JEANS, INC. issued by the Department of Trade and Industry
"M"	Certificate of Registration of the trade name NEXT JEANS, INC. issued by the Bureau of Internal Revenue in favor of Opposer
"N"	Printout of Respondent-Applicant's mark NEXT LEVEL Objective as published in the e-Gazette last June 13, 2008
"O"	Duly notarized Affidavit of Elizabeth Munoz Ang

On 25 September 2008, a Notice to Answer the Verified Notice of Opposition was issued by the Bureau and personally served to Respondent-Applicant's counsel on 03 October 2008. On 14 October 2008, Respondent-Applicant filed its Verified Answer. The issues having been joined, this Bureau issued a Notice of Preliminary Conference setting the issues having been joined, this Bureau issued a Notice of Preliminary Conference setting the same on 12 January 2009. During the preliminary conference, the parties manifested that they are willing to explore the possibility of an amicable settlement. Despite the considerable period of time given to the parties to settle the case, they still failed to submit a compromise agreement. On 01 July 2009, the preliminary conference was terminated and the parties were directed to file their respective position papers. On 22 July 2009, Opposer filed its Position Paper while Respondent-Applicant filed her Position Paper on 07 August 2009. Hence, this decision.

The sole issue to be resolved in this case is: WHETHER OR NOT RESPONDENT-APPLICANT'S MARK "NEXTE LEVEL Objective" IS CONFUSINGLY SIMILAR WITH OPPOSER'S "NEXT" TRADEMARK AND TRADE NAME AND/OR CORPORATE NAME.

In determining whether a mark should be registered, one of the applicable provisions of Republic Act no. 8293, as amended, otherwise known as the Intellectual Property Code of the Philippines ("IP Code" for brevity) is Section 123.1 (d), which provides:

*"Sec. 123. Registrability – 123.1. A mark cannot be registered if it:*

x x x x

*"(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing r 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;"*

It is clear and indubitable from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, said mark cannot be registered.

It is an established fact as shown by the records of this case that Opposer's mark NEXT has been registered as early as March 5, 1990. As such, pursuant to Section 138 of the IP Code, being a holder of a certificate of registration, such "certificate of registration is a prima facie evidence of the registrant's ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto." Thus, what is left to be determined by this Bureau is whether Respondent-Applicant's "NEXTE LEVEL Objective" mark so resembles that of Opposer's as to be likely to deceive or cause confusion.

Opposer relying on the dominancy test asseverated in its Position Paper that Respondent-Applicant's mark NEXT LEVEL Objective is likely to be confused with and mistaken as that of Opposer's mark NEXT. Comparing its own mark with that of Respondent's Opposer argued that the dominant feature of Respondent-Applicant's mark namely, "next", is identical in spelling and phonetically to its own mark NEXT. Opposer stated that the addition of the words "level objective" is insubstantial to claim distinctiveness for Respondent-Applicant's mark; it is very obvious that it is the word "next" which Respondent-Applicant intended to put emphasis on and which is prominent and dominant in her mark. The words "level objective" are mere additive designed to create some kind of dissimilarity with Opposer's registered mark.

On the reverse, Respondent-Applicant posits that the holistic test should be applied relying on the case of Bristol Myers Co. vs. Director of Patents wherein the Supreme Court said 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 conclusions whether one is confusingly similar to the other."

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing marks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two marks is such that there is possibility of the older brand mistaking the newer brand for it.

Colorable imitation does not mean such similitude as amounts to identity. Nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, content, words, sound, meaning, special arrangement, or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely mislead or confuse persons in the ordinary course of purchasing the genuine article.

In the case of Societe Des Produits Nestle vs. Court of Appeals, the Supreme Court stated that:

"Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one supposing it to be the other."

In determining if colorable imitation exists, jurisprudence has developed two kinds of tests – the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity. It has been consistently held that the question of

infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form, and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary, nor is it necessary that the infringing label should suggest an effort to imitate. The question at issue in cases of infringement of trademarks is whether the use of the marks involved would be likely to cause confusion or mistakes in the mind of the public or deceive purchasers.

The dominancy test have been applied in many cases by the Supreme Court. In fact in the case of McDonald’s Corporation vs. L.C. Big Mak Burger, Inc. the Supreme Court again reiterated why it explicitly rejected the holistic test, explaining to wit:

“The totality or holistic test is contrary to the elementary postulate of the law on trademarks and unfair competition that confusing similarity is to be determined on the basis of visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace.”

In fact, in the same case, the Supreme Court even declared that “the test of dominancy is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code, which defines infringement as the “colorable imitation” of a registered mark . . . or a dominant feature thereof.”

Applying the dominancy test, he subject mark is hereunder illustrated together with Opposer’s mark for comparison:

Opposer’s Marks	Respondent-Applicant’s Mark
<p>Registration No. 47510</p>  <p>Registration No. 55791</p> 	

As correctly observed by Opposer, the above competing marks depict the dominant word “NEXT”. The dominant feature of Opposer’s mark or Opposer’s mark itself NEXT was adopted and reproduced in Respondent-Applicant’s mark. The only difference is the addition of the word “level objective”, which becomes insignificant because of the presence of the dominant feature or word “next”. It has been stated time and again that, “the

conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term.”

The average buyer usually seeks a sign, some special, easily remembered earmarks of the brand he has in mind. It may be the color, sound, design, or a peculiar shape or name. Once his eyes see that or his ear hears it, he is satisfied. An unfair competitor need not copy the entire mark to accomplish his fraudulent purpose. It is enough if he takes the one feature which the average buyer is likely to remember.

Moreover, it bears stressing that the goods upon which the parties' marks are respectively used are identical, that is, for use on RTW, pants, jeans and shirts belonging to the same Class 25. As such both goods flow through the same channels of trade and therefore make the likelihood of confusion or mistake all the more apparent and foreseeable.

Also, a boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive.

What is more, the word “NEXT” which forms part of the mark, which Respondent-Applicant is applying for registration, is likewise part of the corporate name of Opposer so that it is also entitled to protection pursuant to Section 165.2 (a) of Republic Act 8293, which states:

“165.2 (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.”

“[A] corporation's right to use its corporate and trade name is a property right, a right *in rem*, which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. It is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation in the same field.”

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, NEXT JEANS, INC. against Respondent-Applicant WILHELMINA SANTOS application for registration of the mark “NEXT LEVEL Objective” is, as it is hereby SUSTAINED. Consequently, the trademark “NEXT LEVEL Objective” bearing Serial No. 4-2006-002082 filed on 23 February 2006 by Respondent-Applicant for RTW, pants, jeans and shirts belonging to Class 25 of the international classification of goods is, as it is hereby, REJECTED.

Let the file wrapper of “NEXT LEVEL Objective” subject matter of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 23 September 2009.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs