

NIKE INTERNATIONAL LTD.,  
Opposer/Petitioner,

INTER PARTES CASE NO. 1665

OPPOSITION TO:

Appln. Serial No. 45149  
Filed : June 11, 1981  
Applicant : Danilo de Leon  
Domingo  
Trademark : HOOK ASSEMBLED  
WITH ROUND TIP  
Used on : Shoes, rubber  
shoes

- versus -

- a n d -

INTER PARTES CASE NO. 1730

PETITION FOR CANCELLATION

Cert. of Regn. No. SR-5687  
Issued : August 24, 1981  
Registrant : Danilo de Leon  
Domingo  
Trademark : HOOK ASSEMBLED  
WITH ROUND TIP  
(Double Wing Design)  
Used on : Rubber shoes, shoes,  
sandals

DANILO DE LEON DOMINGO,  
Respondent-Applicant/  
Registrant.

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DECISION NO. 88-46 (TM)  
July 19, 1988

DECISION

These consolidated cases pertain to Inter Partes Case No. 1665, an Opposition against Application Serial No. 45149 filed by herein Respondent, Danilo de Leon Domingo, on June 11, 1981 for the registration of trade-mark "HOOK ASSEMBLED WITH ROUND TIP" for shoes, rubber shoes and sandals which was published for Opposition on Page 3025, Vol. 78, No. 23 of the Official Gazette dated June 7, 1982 and officially released for circulation on August 4, 1982; and Inter Partes Case No. 1730, a Petition for Cancellation of Certificate of Registration No. SR-5687 issued in favor of the Respondent on August 21, 1981 for the same trademark and goods.

Opposer, Nike International Ltd., is a Bermuda corporation with business address at 3900 S.W. Murray Boulevard, Beaverton, Oregon 97005, U.S.A., while Respondent is a Filipino citizen doing business at 8498 Tabora Street, Tondo, Manila, Philippines.

Summarily, the two cases are based on common grounds that:

1. The trademark "HOOK ASSEMBLED WITH ROUND TIP" of Respondent is confusingly similar to the trademark "WING DESIGN" of herein Opposer for which it and its parent corporation, Nike, Inc., an Oregon corporation having its principal place

of business at 3900 S.W. Murray Boulevard, Beaverton, Oregon 97005, U.S.A., have existing application and subsisting registration in the United States and many other countries which far antedate the claim of first use in commerce in the Philippines by Respondent;

2. The Opposer's parent corporation, Nike, Inc., is the registrant of the trademark "WING DESIGN" in other countries which are members of the Convention of Paris for the Protection of Industrial Property so that Respondent's use of the said "HOOK ASSEMBLED WITH ROUND TIP" mark in the Philippines, likewise a member of the Convention, is in violation of the provision of Article 10bis thereof and the use of the mark by Respondent-Applicant as defined therein as constituting an act of unfair competition; and
3. Respondent's goods and those of the Opposer belong to the same class and the buying public will likely be confused into believing that they are one and the same or originate from the same source or that Respondent-Applicant is an affiliate of Opposer or its goods are under the sponsorship of the Opposer.

In the Answer, which specifically denied each and every allegation in the Notice of Opposition and of the Petition for Cancellation, Respondent alleges as special and affirmative defenses: dissimilarity of his and Opposer's trademarks; better and exclusive right to the mark in question as the Philippine Patent Office has granted certificate of registration in the Supplemental Register in his favor; and that notwithstanding the provision of Article 6bis and Article 10bis of the Paris Convention, the Director of Patents allowed both applications of Respondent for registration of subject mark in the Principal and Supplemental registers, thus the mark is deemed to have complied with all the laws, rules, regulations and policies relative to trademarks.

Admitted as Opposer's evidence are the testimonies of Mr. Thomas Neibergall and Atty. Rustico Casia and documentary exhibits consisting of Exhibits "A" to "Z" consisting "Z", inclusive of their submarkings; while Respondent's evidence consist of Exhibits "1" to "6".

The issues to be resolved as raised by the parties therein are:

1. Whether or not Respondent's mark "HOOK ASSEMBLED WITH ROUND TIP" is confusingly similar to Opposer's "WING DESIGN" trademark; and
2. Whether or not Respondent has originally adopted and is the true and lawful owner of the trademark "HOOK ASSEMBLED WITH ROUND TIP" and therefore entitled to registration.

Section 4(d) of Republic Act 166, as amended, reads:

"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:

d) Consists of or comprises a mark or tradename 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 mistake or to deceive purchasers."

A cursory review of the documentary exhibits belie Respondent's claim of dissimilarity of the marks involved. Respondent's mark, although named as "HOOK ASSEMBLED WITH ROUND TIP" as shown in the application for registration (Exh. "2"), is in actual fact and as referred to by Respondent's counsel in open court (Tan., pp. 13-14, Dec. 9, 1983), a "DOUBLE WING DEVICE". Opposer's mark, on the other hand, as appearing in its application for registration in the Philippine Patent Office (Exh. "C") Certificate of Philippine trademark registration (Exh. "C-1") and in all its foreign registrations is a "WING DEVICE".

In determining confusing similarity, a side-by-side comparison of the marks, emphasizing differences in detail, is not the appropriate test. The key inquiry is not similarity per se but rather whether a similarity exists which is likely to cause confusion. (See Exxon Corp. vs. Zoil Energy Resources, Inc., 552 F. Supp. 1008, 1016, 216 USPQ 634, 641-642 (S.D.N.Y.). This test must be applied from the perspective of purchasers. Thus, it must be determined whether the impression which the infringing mark makes upon the consumer is such that it is likely to believe the product is from the same source as the one he knows under the trademark (McGregor-Doniger, Inc. vs. Drizzle, Inc., 599 F. 2d at 1133, 202 USPQ 81, 86-7). In making this determination, it is the overall impression of the marks as a whole that must be considered. (See Armstrong Cork Co. vs. World Carpets, Inc., 597 F 2d 496, 502.) Likewise, it has been consistently held that infringement of a trademark is to be determined by the test of dominance. Similarity in size, forms and colors, while relevant, is not conclusive. If the competing trademarks contain the main 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 (Co Tiong Sa vs. Director of Patents, G.R. No., L-5372, May 24, 1954).

Consistent with the foregoing tests, this Bureau feels and is so convinced that the marks of both parties are confusing similar. A mere glance of the two marks readily shows that the representation of a wing is the dominant feature in both marks. The fact that Respondent's mark consists of a back-to-back wing design or hook assembled with round tip as Respondent called it, does not alter the finding of confusing similarity. Respondent's mark, even if turned around, is a wing device substantially similar to the Opposer's mark. Such confusion is compounded by the fact that the marks are used on the same goods, namely, shoes. In the case of Clarke vs. Manila Candy Co. (100 Phil. 36) which is squarely applicable to the instant case, the Supreme Court in denying the registration of a brand of two roosters for candies due to prior use by another of a brand consisting a representation of one rooster, for the same goods, ruled:

"We ask, however, why, with all the birds in the air, and all the fishes in the sea, and all the animals on the face of the earth to choose from, the defendant company selected two roosters as its trademark, although its directors and managers must have been well aware of the long-continued use of a rooster by the plaintiff in connection with the sale and advertisement of his goods?

There is nothing in the picture of one or more roosters which in itself is descriptive of the goods sold by the plaintiff or by the defendant corporation, or suggestive of the quality of these goods. A cat, a dog, a carabao, a shark or an eagle stamped upon the container in which candies are sold would serve as well as a rooster for purposes of identification as the product of the defendant's factory. Why did defendant select two roosters as its trade-mark? We cannot doubt that it was because the plaintiff's candies had acquired a certain reputation under the trade-mark of a rooster, and the defendant corporation hoped to profit unjustly by that reputation. Defendant knew that the use of a single rooster would be prohibited as a technical infringement of plaintiff's trade-mark, but it hoped that it could avoid that danger by the use of two roosters; and at the same time get such advantage as it must have believed it could secure from the use a design on the containers of its goods, not absolutely identical with that used by the plaintiff, but so similar in the dominant idea as to confuse or mislead the purchasers."

With respect to the second issue, Section 2-A of Republic Act 166, as amended, reads:

“SEC. 2-A. Ownership of trade-marks, trade-names and service-marks; how acquired. Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trade-mark, a trade-name, or a service-mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or service of others. The ownership or possession of a trade-mark, trade-name, service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law.”

Respondent claimed in its applications filed on June 11, 1984 that he first used the mark in commerce on June 10, 1980, Evidence, however, showed the contrary. On cross-examination, Respondent testified that another firm, i.e., Expo Rubber Industrial Corporation, is using the mark. Thus -

“Atty. Manantan:

Q. As a matter of fact, you will agree with me that Expo Industrial Corp. is the one using this trademark?

A. Yes sir.

Q. As a matter of fact you do not have any paper or invoice showing the sale of the trademark ‘Hook Assembled with Round Tip’ in your name?

A. None.” (TSN., pp. 15-16, June 25, 1984)

“Q. I am showing to you, Mr. Domingo, this Exh. '2' which is your application for the trademark Hook Assembled with Round Tip and I would like to call your attention to the second paragraph which quote, ‘The above identified applicant has adopted and is ‘using the mark shown in the accompanying drawing for shoes, rubber shoes, sandals. Are you actually using this trademark Hook Assembled with Round Tip Sign, Mr. Domingo?

A. No, the mark we are using is SOLDIMI since the Hook, Assembled with Round Tip Sign --

Q. So, you are not using the trademark Hook Assembled with Round Tip?

A. Yes.

Q. Yes, you are not?

A. We are not using. (TSN., pp. 8-9, Oct. 30, 1984)

The foregoing admission of non-use was not satisfactorily traversed by Respondent in his subsequent testimonies nor by documentary exhibits. Opposer, on the other hand, filed in this Office its application for registration of trademark “WING DEVICE” based on foreign registration on October 6, 1978 and ripened into Certificate of Registration No. 32667 on October 3, 1983; that it is using the mark as early as 1971; that it obtained the registration of the “WING DEVICE” in various countries (Exhs. “A”, “B”, “J”, “K”, “M”, “N”, “O”, “P”, “Q”, “R”, “X”, “Y” and “Z” as early as June 22, 1974 (Exh. “A”). Further, Opposer was able to present documentary evidence showing that Respondent is not the owner of the mark. Exhibits “E” and “E-1”, “T”, “T-1”, “T-2” and “T-3” which are photocopies of magazine advertising Opposer’s goods indubitably show a

mark (Hook Assembled with Round Tip/Double Wing Design) identical with Respondent's mark. Pursuant to Section 2-A, supra, Respondent not being the owner of the mark in question is not entitled to register the same under its name.

Moreover, and relative to the herein Petition for Cancellation, records show that Respondent failed to file the 5th Anniversary Affidavit of Use/Non-Use for Certificate of Registration No. SR-5687 pursuant to Section 12 of Republic Act 166, as amended, which reads:

"SEC. 12. Duration. - Each certificate of registration shall remain in force for twenty years: Provided, That registrations under the provisions of this Act shall be cancelled by the Director, unless within one year following the fifth, tenth and fifteenth anniversaries of the date of issue of the certificate of registration, the registrant shall file in the Patent Office an affidavit showing that the mark or trade-name is still in use or showing that its non-use is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the same, and pay the required fee."  
(Underscoring supplied)

Accordingly, Registration No. SR-5687 is deemed, CANCELLED by operation of law.

WHEREFORE, premises considered, the herein Opposition to the registration of trademark, "HOOK ASSEMBLED WITH ROUND TIP" under Inter Partes Case No. 1665 and the Petition for Cancellation of the same mark under Inter Partes Case No. 1730 are hereby GRANTED. Accordingly, Application Serial No. 45149 and Certificate of Registration No. SR-5687 are REJECTED and CANCELLED, respectively.

Let the records of these cases be remanded to the Trademark Examining Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO  
Director