

OSOTSPA CO. LTD.,	}	IPC NO. 14-2005-00056
Opposer,	}	Opposition to:
	}	Appln. Serial No. 4-2002-006341
-versus-	}	Date Filed: July 31, 2002
	}	TM: "SHARK & LOGO"
	}	
DANILO M. CARALDE, JR.,	}	
Respondent-Applicant.	}	DECISION NO. 2006-126
	}	
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DECISION

Before us is a Verified Opposition filed on June 10, 2006 by OSOTSPA CO., LTD. a corporation duly organized and existing under the laws of Thailand with principal office at 2100 Ram Khamheang Road, Huamak, Bangkok, Bangkok 10240, Thailand against the application filed on July 31, 2002 by DANILO M. CARALDE, JR. with address at 83 General Concepcion St. Bagong Barrio, Kalookan City bearing Serial No. 4-2002-006341 for the registration of the mark "SHARK & LOGO" used for slipper, shoe, sandal under Class 25 of the international classification of goods, which application was published for opposition in the Electronic Gazette which was released on February 17, 2005.

Accordingly, the Opposer relied on the following grounds for opposition:

- "1. Opposer is the true owner and rightful proprietor of the internationally known trademark "SHARK and Device" which are used in Opposer's various goods under class 32.
- "2. On September 5, 2002, the IPO issued to Opposer the Certificate of Registration for the trademark "SHARK and Device" bearing Registration No. 4-1996-113004 for non-alcoholic drinks, syrups and other preparations for making beverages under Class 32.
- "3. As the owner of the "SHARK and Device" trademark, Opposer caused the application and registration of the same in more than eighty (80) countries, which include various countries in the European Community, Australia, Cameroon, Chile, China, India, Iran, Japan, Malta, Mexico, Singapore, Thailand, Taiwan, Turkey, the U.S.A and the Philippines. The "SHARK and Device" mark was registered as early as of 07 February 1996 in Thailand.
- "4. Opposer has continuously used the "SHARK and Device" mark worldwide since 1996.
- "5. Opposer has the "SHARK and Device" mark in the Philippines since 2000 through distribution and sales of energy drink products exhibiting labels bearing the "SHARK and Device" mark.
- "6. Opposer maintains worldwide and extensive advertising and promotional campaigns for its goods bearing the "SHARK and Device" mark and the SHARK trademarks.
- "7. By reason of Opposer's worldwide and continuous registration, advertising campaign, and use of the mark "SHARK and Device", the same have become internationally known and have acquired a meaning exclusively identified with Opposer.

"8. On July 31, 2002, almost six (6) years from the time Opposer filed the application for the registration of the mark "SHARK and Device" with the IPO, Respondent-Applicant applied for the registration of the trademark "SHARK and Device" for slipper, shoe, sandal under Class 25, evidently to take advantage of the popularity and goodwill generated by Opposer's "SHARK and Device" mark. The use by respondent-applicant of the word "SHARK" within a configuration of a shark will result in confusion among the relevant sector of the public, as the components are identical to that of Opposer's "SHARK and Device" Particularly telling is the identical representation of the letter "S" in the two marks which depict the mouth and teeth of a shark. There are limitless names and letter combinations and shapes/configurations available to Respondent-Applicant, but he nevertheless sought to use the word "SHARK" and the configuration of a shark in his trademark "SHARK and Logo" to clearly confuse or deceive purchasers into believing that the goods of respondent-applicant are those of, or sponsored by, Opposer.

"9. The registration and use by respondent-Applicant of the trademark "SHARK and Logo" would tend to falsely suggest a connection with the Opposer, considering the fact that the assailed mark is identical to Opposer's mark "SHARK and Device" mark.

"10. The registration and use of the trademark "SHARK & Logo" will also diminish the distinctiveness and dilute the goodwill associated with Opposer's "SHARK & Device" mark which has become distinctive, for and practically synonymous with, the goods and products manufactured and sold by Opposer all over the world.

"11. The registration of the trademark "SHARK & logo" in the name of Respondent-Applicant, which resembles Opposer's "SHARK & Device" mark, will cause the latter incalculable damage to its reputation and general business standing.

"12. The use and adoption by Respondent-Applicant of the trademark "SHARK and Logo", which is confusingly similar to, Opposer's "SHARK and Device" mark, constitute an unlawful appropriation of an internationally known mark. Accordingly, Applicant Serial No. 4-2002-006341 filed by respondent-applicant for the registration of the trademark "SHARK and Logo" is in violation of Section 123.1(f) of republic Act No. 8293, or the Intellectual Property Code of the (IP Code, for brevity).

"13. Moreover, since Opposer's application to its Philippine registration for the "SHARK and Device" was filed prior to the filing date accorded to Respondent-Applicant's application for "SHARK & Logo", and was even registered way before the publication of Respondent-Applicant's application, and the latter mark resembles Opposer's "SHARK & device" mark, Application No. 4-2002-006341 should not be allowed to proceed to registration pursuant to Section 123.1 (d) of the IP Code.

A Notice to Answer dated June 15, 2005 was issued by this Office requiring the Respondent-Applicant to file its Answer within fifteen (15) days from receipt. On July 18, 2005, Respondent-Applicant filed its Answer. The issues having been joined, this Bureau issued a Notice of Pre-Trial Conference with Invitation to Mediate. On September 1, 2005, Office Order No. 79 took effect Pursuant thereto, a Notice to Comply with Office Order No. 79 dated October 7, 2005 was issued directing the parties to complete its evidence.

In Compliance to said Order, Opposer submitted all its evidence to support its contentions which consist of the Affidavit of Prasong Sukhum and Prathan Chairprasis [Exhibit

"A"], certified true copies of the Certificate of Registration of the mark Shark in various countries such as Australia, Austria, Brazil, South Africa, Japan, Singapore, Thailand, United Kingdom and United States of America [Exhibit "B" to "J"]. Opposer likewise submitted a certified copy of the Philippine Registration of the mark "Shark & Device" issued on September 5, 2002 [Exhibit "K" and "K-1"], copies of photographs showing a product bearing the mark "Shark & Device" [Exhibits "L", "M", & "N"], photocopy of an invoice, Packing List dated May 22, 2000 and Bill of Lading dated May 26, 2000 [Exhibit "O"], promotional advertising materials [Exhibits "P" to "V"], photocopies of photographs of various 7-11 stores in Metro Manila where Opposer's "Shark" products are sold [Exhibits "W" to "EE"], photocopies of photographs of retail stores in the Philippines wherein Opposer's "Shark" products are sold [Exhibits "FF" to "LL"], photocopies of photographs of Opposer's "Shark" products being sold in U.S.A., United Kingdom, Thailand, Singapore and Austria [Exhibits "MM" to "QQ"] and photocopy of the preliminary injunction order of the United States District Court, Southern District of Florida in "Impulse Beverage Corporation v. Osotspa Co., Ltd." [Exhibit "RR"]. On the other hand, Respondent-Applicant failed to file its Compliance and as such it is deemed to have waived its right to file its evidence.

A Notice of Preliminary Conference was then issued on January 9, 2006. The Preliminary conference was reset several times due to the manifestation of the parties that they are settling the case amicably. However, on September 4, 2006 the parties still failed to submit a Compromise Agreement so that the preliminary conference was terminated. The parties were then required to submit their respective Position Papers under Order No. 2006-1307 dated September 14, 2006. In compliance to said Order, both parties submitted their Position Papers on October 2, 2006. Hence, this Decision.

The issues raised by the parties are subsumed in one main issue, that is, Whether or not Respondent-Applicant's mark "SHARK & Logo" is confusingly similar to that of the mark of Opposer "SHARK & Device".

Section 123.1 (d) (e) and (f) of Republic Act No. 8293, as amended, 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 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;

(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 determining whether a mark is well-known, account shall be taken of the knowledge of the relevant section 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;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided

further, That the interests of the owner of the registered mark are likely to be damaged by such us.”

It is apparent from the comparison of the competing marks that Opposer’s and Respondent-Applicant’s marks are similar as both parties use the word “shark” although presented in different manner. Opposer’s mark is presented in a stylized word, which forms a shark. In contrast, Respondent-Applicant’s mark is also presented in a stylized word that forms a shark but below the word “shark” is a four layer wave-like design, which a second word “shark” is superimposed. The parties’ marks being similar, the next to be reckoned with is whether the marks are used on similar goods. Evidence would show that Opposer’s registered trademark is used on goods under Class 32 whereas Respondent-Applicant’s mark is being applied for registration for goods belonging to Class 25.

Section 138 of Republic Act No. 8293 specifically states that: “a certificate of registration is a prima facie evidence of the registrant’s ownership of the mark, and the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto”. Nonetheless, when a trademark is used by a party on a product in which the other party does not deal, the use of a same trademark on the latter’s product cannot be validly objected to.

Related goods have been defined as those that belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. In the instant case, the goods of the parties are not related. Respondent-Applicant’s goods do not have the same descriptive properties than the goods of Opposer. The parties’ goods also serve different purpose and are sold through different trade channels since Opposer’s goods are usually made available through grocery or convenience stores while Respondent-Applicant’s goods are displayed in department stores. The goods of the parties are so far-off to each other and it would be unlikely that the gullible or innocent purchaser would confuse or mistake the goods of Opposer to be manufactured by Respondent-Applicant or vice-versa. The mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the trademark by others on unrelated articles of a different kind.

In the case of CANON KABUSHIKI KAISHA vs. COURT OF APPEALS the Supreme Court ruled that:

“In cases of confusion of business or origin, the question that usually arises is whether the respective goods or services of the senior user and the junior user are so related as to likely cause confusion of business or origin, and thereby render the trademark or tradenames confusingly similar. 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 stores.

Thus, in *Esso Standard Eastern, inc. vs. Court of Appeals*, this Court ruled that the petroleum products on which the petitioner therein used the trademark ESSO, and the product of respondent, cigarettes are “so foreign to each other as to make it unlikely that purchasers would think that petitioner is the manufacturer of respondent’s goods”. Moreover, the fact that the goods involved therein flow through different channels of trade highlighted their dissimilarity, a factor explained in this wise:

“The products of each party move along and are disposed through different channels of distribution. The (petitioner’s)

products are distributed through gasoline service and lubrication stations, automotive shops and hardware stores. On the other hand, the (respondent's) cigarettes are sold in sari-sari stores, grocery store, and other small distributor outlets. (Respondent's) cigarettes are even peddled in the streets while (petitioner's) 'gasul' burners are not. Finally, there is a marked distinction between oil and tobacco, as well as between petroleum and cigarettes. Evidently, in kind and nature the products of (respondent) and of (petitioner) are poles apart."

Undoubtedly, the paints, chemical products, toner and dyestuff of petitioner that carry the trademark CANON are unrelated to sandals, the product of private respondent. We agree with the BPTTT, following the Esso doctrine, when it noted that the two classes of products in this case flow through different trade channels. The products of petitioner are sold through special chemical stores or distributors while the products of private respondent are sold in grocery stores, sari-sari stores and department stores. Thus, the evident disparity of the products of the parties in the case at bar renders unfounded the apprehension of petitioner that confusion of business or origin might occur if private respondent is allowed to use the mark CANON."

Although Opposer claimed that as part of its marketing strategy, it has used its mark on Point-of-Sale items, which include goods under Class 25 (such as but not limited to T-shirts, caps, sandals and other similar items), no evidence was presented to prove such allegation. Opposer did not also present evidence to show that it has already extended or has intention to extend its business into the field of Respondent-Applicant. In fact, Opposer's registrations in various countries of its mark "Shark & Device" involves goods falling under class 32.

Lastly, even assuming *arguendo* that Opposer's mark is well known, still it cannot preclude the registration of Respondent-Applicant's mark "Shark & Logo" because the use by Respondent-Applicant of its mark for their goods does not indicate any connection whatsoever with the goods of Opposer.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, OSOTSPA CO., LTD. against respondent-applicant DANILO M. CARALDE, JR. is, as it is hereby DENIED. Consequently, the trademark application for "SHARK" bearing Serial No. 4-2002-006341 filed on 31 July 2002 by Respondent-Applicant under Class 25 of the International Classification of goods is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of "SHARK & Logo" 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, 10 November 2006.

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