

RANCO INCORPORATED OF  
DELAWARE,

Opposer,

- versus -

JAMES G. SANTARITA,  
WITH

Respondent-Applicant,

x-----x

IPC No. 14-2010-00041  
Case filed: 09 February 2010

Opposition to:  
Appln. Ser.No. 4-2008-013780  
Date Filed: 10 November 2008  
TM: STYLIZED "RANCO"

DEVICE  
Decision No. 2010-63

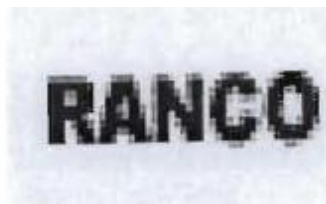
### DECISION

Ranco Incorporated of Delaware ("Opposer"), a corporation duly organized and existing under the laws of United States of America, with principal address at 1701 Byrd Ave., Richmond, VA 23230, U.S.A. filed an opposition to Trademark Application Serial No. 4-2008-013780.<sup>1</sup> The application, filed by James G. Santarita ("Respondent-Applicant"), a Filipino citizen with address at 627 Guerrero Street, Mandaluyong City, covers the mark Stylized "RANCO" with Device for use on thermostat ( automotive and refrigeration) under Class 09 of the International Classification of Goods.<sup>2</sup>

The Opposer alleges the following:

#### "III STATEMENT OF FACTS

"5. The Opposer is the owner and prior user of the following internationally well-known RANCO marks:



<sup>1</sup> The application was published in the Intellectual Property E-Gazette on 12 October 2009

<sup>2</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

“6. The Opposer registered and has applied for the registration of its internationally well-known RANCO marks in numerous countries worldwide including the Philippines, US.A., Germany, China, Japan, Thailand and Malaysia, among others.

x x x

“7. The Opposer has used the mark RANCO in commerce since 1927. In the Philippines, the Opposer first used its RANCO mark for temperature responsive mechanism for controlling automatic refrigerators in 1947 and has been using the said mark up to the present.

“8. The Opposer obtained Philippine Trademark Registration No. 002457 for its internationally well-known RANCO mark on 06 August 1959, or more than a half century ago, from this Honorable Office.

x x x

“8.2. Said trademark registration has been continuously and timely renewed by the Opposer and the same is valid, subsisting and in full force and effect to date.

x x x

“9. The Opposer has extensively been promoting and selling its products bearing its internationally well-known RANCO marks worldwide, including in the Philippines, and has been doing so long prior to the filing date of the Respondent-Applicant’s trademark application for the mark STYLIZED ‘RANCO’ WITH DEVICE, with the Honorable Office. x x x

“10. Notwithstanding the Opposer’s ownership and prior use of the internationally well-known RANCO marks and its valid and existing registration for the mark RANCO in the Philippines and the Respondent-Applicant’s full awareness thereof, the Respondent-Applicant filed Trademark Application No. 4-2008-013780 for the STYLIZED ‘RANCO’ WITH DEVICE with this Honorable Office for *“thermostat (automotive and refrigeration)”* to wit:



“11. The Opposer has not consented or acquiesced to the Respondent-Applicant’s use and application for the registration of the Respondent-Applicant’s STYLIZED ‘RANCO’ WITH DEVICE or any other mark identical or confusingly similar to any of the internationally well-known RANCO registered with this Honorable Office and its other internationally well-known RANCO marks for that matter.

“12. The Opposer, being the owner, prior user and registrant of the internationally well-known RANCO mark registered with this Honorable Office and its other internationally well-known RANCO marks, is entitled to prevent the unauthorized registration and use by third parties of any mark identical and confusingly similar to its internationally well-known RANCO mark registered with this Honorable Office and its internationally well-known RANCO marks as provided in Section 131.3 and Section 147.1 of the Intellectual Property Code of the Philippines, to wit:

x x x

“IV  
GROUNDS IN SUPPORT

OF THIS OPPOSITION

“13. The Respondent-Applicant’s application for registration of the mark STYUZED ‘RANCO’ WITH DEVICE should not be given due course by this Honorable Office because such registration is contrary to Section 123.1 (d) and (e), which prohibits the registration of a mark that:

x x x

and Article 6bis of the Paris Convention to which the Philippines is a signatory, viz:

x x x

“14. A careful examination of Opposer’s and the Respondent-Applicant’s mark plainly reveals that indeed, the Respondent-Applicant’s STYUZED ‘RANCO’ WITH DEVICE mark is similar to the Opposer’s internationally well-known mark RANCO registered by this Honorable Office, as evidenced below:

Opposer’s mark



Respondent-Applicant’s mark



“14.1. Both the Opposer’s internationally well-known RANCO mark registered by this Honorable Office and the Respondent-Applicant’s mark STYLIZED ‘RANCO’ WITH DEVICE contains the word ‘RANCO’, which is the dominant feature of both marks. In addition, both marks are used on the exact same goods, namely, thermostat or temperature responsive mechanism for refrigeration and automotives.

“14.2. Moreover, the Respondent-Applicant’s mark is a virtual reproduction of the Opposer’s other internationally well-known RANCO mark as shown below:

Opposer’s mark



Respondent-Applicant’s mark



“14.3. There is no difference in the marks juxtaposed above and no conclusion can be drawn other than that the Respondent-Applicant intentionally and unlawfully usurped the Opposer’s internationally well-known RANCO mark.

“15. The simultaneous use in Philippine commerce of the Respondent-Applicant’s STYLIZED ‘RANCO’ WITH DEVICE, a mark which is confusingly similar to the Opposer’s internationally well-known RANCO mark registered by this Honorable Office and its other internationally well-known RANCO marks for products that are identical to the Opposer’s product, i.e., thermostats, will inevitably sow confusion, mistake or deception on the Filipino consuming public as to the source of the respective products and will falsely suggest a trade connection between the Opposer and the Respondent-Applicant and their respective products, when in fact, none exists .

“16. To allow the registration of the Respondent-Applicant’s mark STYLIZED ‘RANCO’ WITH DEVICE for thermostats (automotive and refrigeration) would indubitably be inconsistent with Section 138 of the Intellectual Property Code, which provides:

“17. The term RANCO is fanciful and is a coined word, created by the Opposer, with no meaning in the English language. It cannot therefore be said that the same coined word was coincidentally adopted by the Respondent-Applicant for use on identical goods. The Respondent-Applicant’s application for the registration of the STYLIZED ‘RANCO’ WITH DEVICE mark is but a clear attempt to trade unfairly on the goodwill, reputation and worldwide awareness of the Opposer’s valuable internationally well-known RANCO mark registered by this Honorable Office and its other internationally well-known RANCO marks.

“17.1. The goodwill in business is a valuable asset and in modern commercial life, goodwill is frequently built upon a trademark. Correspondingly, any trademark that has gained a pecuniary value or a business advantage becomes a property right and as such, is entitled to the protection afforded by the Intellectual Property Code, its implementing rules and jurisprudence, which this Honorable Office is tasked to uphold.

“18. In view of the foregoing, the **DENIAL** by this Honorable Office of the Respondent-Applicant’s Trademark Application No. 4-2008-013780 for the mark STYLIZED ‘RANCO’ WITH DEVICE is warranted.”

The Opposer’s evidence<sup>3</sup> consists of the following:

1. Annex “A” - Legalized Special Power of Attorney executed by Mr. Timothy J. Dolan in favor of Cesar C. Cruz & Partners Law Offices;
2. Annex “B” - List of the trademark registrations and/or applications for registration of Opposer’s RANCO marks;
3. Annex “C” - Copy of the Certificate of Renewal of Registration No. R-2457 of the mark RANCO;
4. Annex “D” - Copy of the Petition for Renewal for the mark RANCO filed and received by the IPO on 04 February 2010;
5. Annex “E” - Copies of marketing materials used by the Opposer to promote the products bearing the mark RANCO;
6. Annex “F” - Legalized Affidavit of Timothy J . Dolan with the following annexes:

“Annex A” -Schedule of registrations and/or applications for its various RANCO marks;

“Annex B” -Copies of trademark registration certificates, applications and/or copies of letter of Overseas Associates showing that the Opposer’s various RANCO marks have been registered and/or filed in Argentina, Aruba, Australia, Austria, Benelux, Bosnia and Herzegovina, Brazil, Canada, Chile, China, Colombia, Costa Rica, Croatia, Denmark, El Salvador, Finland, France, Germany, Great Britain, Greece, Hong Kong, India, Indonesia, Ireland, Israel, Italy, Japan, Lebanon, Malaysia, Macedonia, Mexico, Montenegro, Morocco, New Zealand, Nigeria, Norway, OHIM, Pakistan, Peru, Portugal, Saudi Arabia, Serbia, Singapore, Slovenia, South Africa, Spain, Switzerland, Thailand, Turkey, United Arab Emirates, U.S.A., Venezuela; and

“Annex C” -Samples of promotional and advertising materials; and

“Annex D” -Affidavit of Use filed with this Office.

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<sup>3</sup> Annexes "A" to "F" should have been marked as Exhibits "A" to "F" as provided by the Rules and Regulations of Inter Partes Cases.

This Bureau issued on 05 March 2010 a Notice to Answer and served a copy thereof to the Respondent-Applicant on 24 March 2010. Respondent-Applicant, however, failed to file an Answer. Accordingly, this Bureau issued on 25 June 2010 the Order No. 2010-735 waiving Respondent-Applicant's right to file answer and submitting the case for decision.

Should the Respondent-Applicant be allowed to register the mark STYLIZED "RANCO" WITH DEVICE in its favor?

It is emphasized that the essence of trademark registration is to give protection to the owner of the trademarks. The function of a trademark is to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his products.<sup>4</sup>

The Opposer anchors his opposition on Sec. 123.1 (e) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), which provides:

SEC. 123. Registrability. -123.1 A mark cannot be registered if it:

x 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 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;

In this regard, Rule 102 of the Trademark Regulations sets forth the criteria in determining whether a mark is a well-known mark, to wit:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered In the world;
- (f) the exclusivity of registration attained by the mark In the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;

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<sup>4</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R.No. 114508, 19November 1999,citing *Etepha v. Director of Patents*, 16 SCRA 495.

- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

The evidence submitted by the Opposer is insufficient to declare its mark well-known under the Trademark Regulations, which requires at least a combination of the criteria aforementioned. The Opposer was only able to prove the extent of the registration of its RANCO marks in the world, by the presentation of various certificates of registration issued in numerous countries all over the world, including the Philippines.

Nevertheless, Trademark Application No. 4-2008-013780 should be rejected. Sec. 123.1 (d) of the IP Code states that a mark cannot be registered if it:

(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;

There is no doubt that the Respondent-Applicant's STYLIZED "RANCO" WITH DEVICE mark is identical with the Opposer's mark, as shown below:



Opposer's Marks



Respondent-Applicant's Mark

The presence of the "device" in the Respondent-Applicant's mark -the big letter "R" -is inconsequential.

The competing marks are used on similar or closely related goods, that is, the Respondent-Applicant's mark will be used on thermostat (automotive and refrigeration) while the Opposer's mark is used on temperature responsive mechanism for controlling automatic refrigerators. Thus, it readily gives the impression and connotation that these marks are one and the same. It is likely that the purchasing public would associate the products of the Opposer with those of the Respondent-Applicant and *vice-versa*.

Considering therefore, that the Opposer has an existing and valid trademark registration for RANCO at the time the Respondent-Applicant filed its trademark application on 10 November 2008, the latter's application is proscribed by Sec. 123.1 (d) of the IP Code.

This Bureau agrees with the Opposer that the mark RANCO is a coined or fanciful mark which is regarded as "inherently distinctive". A fanciful mark is a word which is coined for the

express purpose of functioning as a trademark.<sup>5</sup> Thus, the chances that it could have been mere coincidence that two businessmen, independent of each other, were able to coin identical marks for identical, similar or closely related goods, is too good to be true. The field from which a person may select a trademark is in fact, practically unlimited. The more logical explanation or inference therefore, is that one copied or appropriated the mark of the other especially if the apparent copycat fails to explain how he came up with the similar or identical mark. As held by the Supreme Court in *American Wire & Cable Company v. Director of Patents*:<sup>6</sup>

“Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another’s trademark if there was no intent to take advantage of the goodwill generated by the other mark.”

In fact, this Bureau has noted that the Respondent-Applicant’s mark is also identical to one of the variants of Opposer’s mark, to wit:



Opposer’s Mark



Respondent-Applicant’s Mark

The Respondent-Applicant and the public is reminded that basic is the rule that as between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.<sup>7</sup> The protection of trademarks is the law’s recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut, which induces a purchaser to select what, he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same -to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.<sup>8</sup>

WHEREFORE, premises considered the instant opposition to Trademark Application Serial No. 4-2008-013780 is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2008-013780 be returned together with a copy of this DECISION to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 29 July 2010.

NATHANIEL S. AREVALO  
Director, Bureau of Legal Affairs  
Intellectual Property Office

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5 J. Thomas McCarthy, *Trademarks and Unfair Competition*, Vol. I, 1973 Ed., p. 346.

6 G.R. No. L.26557. 18 Feb.1970

7 *Del Monte Corporation, et al. v. Court of Appeals*, G.R. No. 78325. 25 January 1990

8 *Societe des Produits Nestle v. Court of Appeals*, G.R. No. 112012. 4 April 2001, citing *Mishawaka Mfg. Co. v. Kresge Co.*