

REEMTSMA CIGARETTEN FABRIEKEN
GMBH,

Opposer,

- versus -

MARCH RESOURCES MANUFACTURING
CORPORATION

Respondent-Applicant.

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IPC No. 14-2008-00371
Case Filed: 17 October 2008

Opposition to:
Appln. Serial No. 4-2006-010060
Date Filed: 12 Sept. 2006
Trademark: WEST AND DEVICE

Decision No. 89

DECISION

For decision is the Opposition filed by Reemtsma Cigaretten Fabrieken GMBH (the "Opposer") against Application No. 4-2006-010060 filed by March Resources Manufacturing Corporation (the "Respondent-Applicant") on 12 September 2006 for the registration of the mark WEST AND DEVICE covering goods in Classes 08, 16 and 19 specifically for the following:

08	<i>Putty knife</i>
16	<i>Painting equipment specifically paint brushes, painting sponges, foam roller, paint tray</i>
19	<i>Frame, aluminum extension pole used in paint application</i>

upon the ground that the mark WEST AND DEVICE is identical with and/or confusingly similar with its allegedly well-known WEST, WEST LABEL and derivative trademarks, (hereinafter referred to as the "WEST" marks).

Opposer, REEMTSMA CIGARETIEN-FABRIKEN GMBH (hereafter, the "Opposer") is a foreign corporation duly organized under the laws of Germany, with principal office at One Culligan Parkway, Northbrook, IL 60062, U.S.A.

Respondent-Applicant, MARCH RESOURCES MANUFACTURING CORPORATION, is a domestic corporation organized and existing under the laws of Republic of the Philippines, with business address at 90 Rubber Master Road Lingunan, Valenzuela City

On 17 October 2008, Opposer filed the instant Opposition against Respondent-Applicant's Application for registration of the trademark WEST AND DEVICE for goods under Classes 08, 16 and 19, specifically for the following:

08	<i>Putty knife</i>
16	<i>Painting equipment specifically paint brushes, painting sponges, foam roller, paint tray</i>
19	<i>Frame, aluminum extension pole used in paint application</i>

Grounds for Opposition

Opposer filed the instant Opposition based on the following grounds:

1. The Opposer is the exclusive owner and prior adopter of the well-known "WEST", "WEST LABEL" and derivative trademarks (hereinafter after referred to as the "WEST" marks) identified as world-class cigarette brand falling under international classes 14 and 34 and therefore, enjoys the right to exclude others from registering or using an identical and confusingly similar mark such as Respondent-Applicant's

“WEST AND DEVICE” trademark pursuant to Section 147.2 of Republic Act (R.A.) No. 8293. Opposer’s “WEST” trademarks are well-known internationally and in the Philippines. Its products carried under said trademarks have, through the years, enjoyed a strong market position, as well as the distinct reputation of being a market leader.

2. There is a likelihood of confusion between Opposer’s “WEST” trademarks and Respondent-Applicant’s “WEST AND DEVICE” trademark because the latter’s mark is obviously and glaringly identical in appearance to the Opposer’s “WEST” trademarks. Moreover, Respondent-Applicant’s use of the “WEST AND DEVICE” mark for its products in classes 8, 16 and 19 will dilute the distinctiveness and erode the goodwill of Opposer’s “WEST” trademarks, which are arbitrary trademarks when applied to Opposer’s cigarette products. It will certainly cause confusion and deception among the consuming public.
3. The Opposer’s “WEST” trademarks are well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large, as being trademarks expressly and directly referring to and owned by the Opposer, hence, the Respondent-Applicant’s “WEST AND DEVICE” mark cannot be registered in the Philippines pursuant to the express provision of Section 147.2 of R.A. No. 8293. No doubt, the use of Respondent-Applicant’s “WEST AND DEVICE” mark for its products will indicate a connection between these products and those of the opposer’s. Likewise, the interests of the Opposer are likely to be damaged by Respondent-Applicant’s use of the “WEST AND DEVICE” mark for its products in classes 8, 16 and 19.
4. “The Respondent-Applicant, by using “WEST AND DEVICE” as its mark, will give its products the general appearance of Opposer’s related products, which would likely influence purchasers to believe that its “WEST AND DEVICE” products are those authorized by the Opposer thereby deceiving the public and defrauding the Opposer of its legitimate trade, hence it is guilty of unfair competition as provided in Section 168.3 of R.A. No. 8293.
5. “Respondent-Applicant, by adopting the “WEST AND DEVICE” mark for its products in classes 8, 16 and 19 is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association with the Opposer, or as to origin, of its products by the Opposer, for which it is liable for false designation of origin, false description or representation under Section 169 of R.A. No. 8293.

Opposer relied on the following facts and circumstances to support this opposition:

- (a) “The Opposer is the exclusive owner and prior adopter of the well-known “WEST” trademarks. It adopted the “WEST” marks in 1981 in Germany. The “WEST” marks have since been used continuously by Opposer. In fact, the use of the “WEST” marks by herein Opposer spread rapidly throughout the world since 1982. The trademark “WEST” forms an important part of the “WEST” family of trademarks, which are now registered in over one hundred fifty (150) countries worldwide, including the Philippines. A schedule of the Opposer’s WEST trademarks are attached as Exhibit “A”. This list is not exhaustive; it merely serves to indicate the global nature of the Opposer’s WEST brand.

In the Philippines, Opposer was issued the following certificates of trademark registration by the Intellectual Property Office:

TRADEMARK	REGISTRATION NO.	DATE ISSUED	CLASSES OF GOODS
WEST	42003011433	September 25, 2006	34
WEST (LABEL)	42001006284	December 16, 2005	14 and 34
WEST LIGHTS FORMULA EDITION (BACK LABEL)	42004005458	December 31, 2005	34
WEST PARK	42006000229	May 19, 2007	34

(b) "The Opposer's "WEST" trademarks have been used, promoted and advertised for a considerable duration of time and over wide geographical areas. Opposer has invested tremendous amount of resources in the advertisement, merchandising and promotion of the "WEST" trademarks, i.e., advertisements on television and in well-known newspapers, magazines, as well as sponsorships in races. There is already a high degree of distinction of the Opposer's "WEST" trademarks. The ultimate quality and reliability of the cigarette products carried under the said "WEST" trademarks had, through the years, earned international acclaim, as well as the distinct reputation of being known as "The Power Brand".

"Specifically, Opposer enjoys a strong market position as a result of its continuous use of the "WEST" trademarks on cigarettes and other products throughout the world. The total annual sales volumes for cigarettes bearing the "WEST" trademarks from 1997 to 2007 are as follows:

YEAR	SALES (Number of "WEST" Products sold in Millions)
1997	26,704
1998	28,173
1999	30,035
2000	26,784
2001	24,773
2002	26,726
2003	25,795
2004	29,262
2005	30,270
2006	29,758
2007	29,561

"In the Philippines, Opposer has sold the approximately four (4) million cigarettes bearing the trademark "WEST" since the year 1999.

"Since the first launch of the "WEST" brand in 1981 Opposer has invested millions of pounds for advertisements, promotions and merchandising of goods bearing the "WEST" marks. Despite the widespread ban on tobacco advertisements in the recent years, the "WEST" brand is still considered one of the top selling cigarettes in the world.

"Opposer's investment for its "WEST" marks extended to sponsorship of the "Formula One WEST McLaren Mercedes Race Team" from 1997 up to 2005. As a result, Opposer's "WEST" marks became known as the "Power Brand" throughout the world.

(c) "There is a likelihood of confusion between Respondent-Applicant's "WEST AND DEVICE" mark and Opposer's "WEST" trademarks.

"The Respondent-Applicant's "WEST AND DEVICE" mark is identical with and confusingly similar to Opposer's "WEST" trademarks in spelling, sound, meaning and appearance as would likely influence the purchasers to believe that Respondent-Applicant's

products are those of the Opposer's. More particularly, the similarities in Respondent-Applicant's "WEST AND DEVICE" mark and Opposer's "WEST" trademarks are very obvious and glaring as illustrated hereunder.



Respondent-Applicant's "WEST AND DEVICE" mark



Opposer's WEST Trademark

"Therefore, confusion and deception are very much likely.

- (d) "The use of Respondent-Applicant's "WEST AND DEVICE" mark for its products would indicate a connection to the products covered in Opposer's "WEST" trademarks, hence, the interests of the Opposer are likely to be damaged.

"Respondent-Applicant's "WEST AND DEVICE" products are clearly related to Opposer's products covered by its "WEST" trademarks. The use by Respondent-Applicant of the "WEST AND DEVICE" mark for its products will definitely mislead the public into believing that its products originate from Opposer or that Respondent-Applicant is associated with or an affiliate of the Opposer.

"The flagrant and veritable imitation of herein Opposer's "WEST" trademarks is likely to cause confusion, mistake and deception to the buying public as to the source and origin of Respondent-Applicant's products.

"It is the resultant goodwill and popularity of Opposer's "WEST" trademarks that Respondent-Applicant wishes to exploit and capitalize. Accordingly, the use and approval for registration of Respondent-Applicant's "WEST AND DEVICE" mark constitutes an infringement or invasion of Opposer's property rights to its "WEST" trademarks which is protected by law. Such will most assuredly cause the dilution and loss of distinctiveness of Opposer's "WEST" trademarks as well as cause irreparable damage and injury to Opposer.

"Undoubtedly, the use, sale and distribution by the Respondent-Applicant of "WEST AND DEVICE" products will inflict considerable damage to the interests of the Opposer. To allow Respondent-Applicant to register the "WEST AND DEVICE" mark for its products will constitute a mockery of our laws protecting intellectual property rights. It will legitimize its unfair and unlawful business practice.

On 24 February 2009, this Bureau issued a Notice to Answer, copy of which together with the Opposition was sent to Respondent-Applicant MARCH RESOURCES MANUFACTURING CORPORATION on 26 March 2009. The Notice to Answer required Respondent-Applicant to submit its Verified Answer within thirty (30) days from receipt of the said Notice.

For failure of Respondent-Applicant to file an Answer within the period required to file the same, this Bureau, by virtue of Order No. 2009-985, declared Applicant to have waived its right to file the Answer.

Issues

The issues to be resolved in the instant Opposition case are:

- (a) Whether or not Respondent-Applicant's mark WEST AND DEVICE covering goods in Classes 08, 16 and 19 specifically for the following:

08	<i>Putty knife</i>
16	<i>Painting equipment specifically paint brushes, painting sponges, foam roller, paint tray</i>
19	<i>Frame, aluminum extension pole used in paint application</i>

is confusingly similar to Opposer's WEST trademarks such that Opposer will be damaged by registration of WEST AND DEVICE in the name of Respondent-Applicant; and

- (b) Whether or not Respondent-Applicant's trademark application for WEST AND DEVICE should be granted registration.

Filed as evidence for the Opposer based on the records are the following:

1. A schedule of the Opposer's WEST trademarks - Exhibit "A"
2. Copies of certificates of registration - Exhibit "B"
3. Affidavit of Trevor Martin Williams
4. Listing of the trademarks "WEST" in the name of Reemtsma Cigaretten Fabrieken GMBH - Annex "A"
5. Copies of several advertisements of Opposer's products - Annex "B"

From the evidence on record, Opposer is the registered owner in the Philippines of several WEST trademarks (Exhibit "B", Opposer), as follows:

Trademark	Registration Number	Nice Classification
WEST (LABEL)	4-2001-006284	14, 34
WEST LIGHTS FORMULA EDITION (BLACK LABEL)	4-2004-005458	34
WEST	4-2003-011433	34
WEST PARK (WORDS)	4-2006-000229	34
WEST AND DESIGN	4-2005-003437	34

Opposer also obtained the following registrations from many parts of the world, including but not limited to:

Trademark	Registration Number	Nice Classification	Country
WEST LABEL [8350]	IR/ 860935	34	Australia
WEST (ARMRS) [LABEL]	343554	34	Canada
WEST MEDIUM [COL. LBL]	IR/ 764321	14, 34	China
WEST	IR/ 751825	03, 09, 14, 18, 25	Denmark

SPORTS [LABEL]			
WEST [WORD]	2106241	14, 32, 33	Germany
WEST [WORD]	IR/ 700312	01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11,12,13, 14,15,16,17,18,19,20,21, 22,23,24,25,26,27,28, 29,30,31,35,36,37	Russian Federation
WEST LIGHTS [COL.LBL]	IR/697060	34	Singapore
WEST SPECIAL EDITION [LABEL 9297]	IR/ 901343	34	USA

Opposer obtained registration of its first WEST trademark, the WEST (LABEL), in the Philippines on 16 December 2005, with date of filing of trademark application on 24 August 2001 for goods under Classes 14 and 34 as shown by its Certificate of Registration No. 4-2001-006284 (*Exhibit "B"; Opposer*).

The applicable provision of the Trademark Law particularly, Section 123.1 of R.A. 8293 provides:

“Section 123. Registrability. - 123.1. 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;”

A comparison of Opposer’s and Respondent-Applicant’s marks will show that Respondent-Applicant’s WEST AND DEVICE is identical and/or confusingly similar to Opposer’s WEST trademarks. The mark WEST AND DEVICE of Respondent-Applicant, is visually and phonetically similar, in fact obviously identical to the WEST trademarks used and not abandoned by Opposer. The subject mark applied for, WEST AND DEVICE and Opposer’s WEST trademarks as they appear on the goods of the contending parties readily manifest the glaring similarities. In its overall appearance, the mark WEST AND DEVICE of Respondent-Applicant can easily be mistaken as Opposer’s WEST trademarks since they are the same in spelling, both containing the word WEST in the word mark which Opposer has been using since 2001 in the Philippines for its allegedly well-known WEST cigarettes. Respondent-Applicant’s mark WEST AND DEVICE is described to be a “drawing of “WEST” textmark with two brush strokes and underneath placed over an oval” and appearing as:



On the other hand, Opposer’s first “WEST” trademark, referred to as WEST (LABEL) which was filed on 24 August 2001 under the name of herein Opposer appeared to be:



The word WEST, the font style and the brush strokes underneath, except for the goods, are obviously the same. Anent the goods, however, Opposer's cigarettes vis-a-vis Applicant's paint equipment, notwithstanding the dissimilarity of these products, the trademark owner is entitled to protection when the use of the junior user, a Philippine applicant, "forestalls the normal expansion of their business". It is possible that Opposer or its subsidiary thereof may venture into other products similar to the painting equipment of Applicant or goods falling under Classes 08, 16 and 19. In fact, it has already embarked in the manufacture and production of these goods when Opposer authorized the registration of the trademark, WEST [WORD] in the Russian Federation in 1998 (Annex "A"; Opposer). Bolstering this view of potential expansion is the pronouncement of the Supreme Court in the case of Jose P. Sta. Ana vs. Florentino Maliwat, et. al. G.R. No. L-23023, August 31, 1968 which ruled, thus:

"Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use of a junior appropriator of a trademark or trade name is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party extended into the field or is in any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business." (Emphasis supplied)

Respondent-Applicant's use of an identical and/or confusingly similar mark WEST AND DEVICE, for goods under Classes 08, 16 and 19, is likely to mislead the public that its goods are affiliated with or sponsored by the Opposer. It will impress upon the buying public that they are related as to source, hence, there may be confusion of business. Looking at the list of registrations in other countries, Opposer has already ventured in the production of the same goods as Applicant's painting equipment and application and putty knife since 1998 in the Russian Federation.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (Bert R. Bagano v. Director of Patents, et. al, G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, the Respondent- Applicant has the burden of proving ownership (Marvex Commercial Co., Inc. v. Peter Hawpia and Co., 18 SCRA 1178). In the instant case, Respondent- Applicant has not proven ownership and/or its rights over the mark WEST AND DEVICE notwithstanding the opportunity given to Applicant through the filing of their Answer. Such inaction of Respondent- Applicant is contrary to the disputable presumption that "a person takes ordinary care of his concern", enunciated in Section 3(d) of Rule 131 of the Rules of Court.

It was the Respondent-Applicant's option not to defend its case, contrary to the declared policy of the Supreme Court to the effect that "it is precisely the intention of the law to protect only the vigilant, not those guilty of laches."¹

Finally, as provided for under Sec. 230 of R. A. 8293, otherwise known as the Intellectual Property Code of the Philippines:

¹ Pag-asa Industrial Corp. v. Court of Appeals, 118 SCRA 526.

“See. 230. Equitable Principles to Govern Proceedings. - In all inter partes proceedings in the Office under this Act, the equitable principles of laches, estoppel, and acquiescence where applicable, may be considered and applied.”

As defined in the dictionary, laches means “slackness or carelessness toward duty or opportunity or neglect to do a thing at the proper time”.²

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-2006-010060 filed by March Resources Manufacturing Corporation on 12 September 2006 for the registration of the mark WEST AND DEVICE for the following goods:

08	<i>Putty knife</i>
16	<i>Painting equipment specifically paint brushes, painting sponges, foam roller, paint tray</i>
19	<i>Frame, aluminum extension pole used in paint application</i>

is, as it is hereby, REJECTED.

Let the filewrapper of WEST AND DEVICE, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 30 July 2009.

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

² Webster Third International Dictionary, p.1261.