SL AGRITECH CORPORATION, *Opposer*,	IPC No. 14-2007-00234 Case Filed: 14 August 2007
-versus-	Opposition to: Appl. Serial No.: 4-2006-500071 Date Filed: 19 April 2006 Trademark: "STERLING"
REYNALDO L. TAN, *Respondent-Applicant.* x--x	Decision No. 2008-217

DECISION

Before this Bureau is an Opposition filed by SL Agritech Corporation, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business and postal address at Sterling Place, 2302 Pasong Tamo Extension, Makati City, against the registration of the trademark STERLING under Classes 22 and 30, specifically for sack and grains filed on 19 April 2006 in the name of Respondent-Applicant, Reynaldo L. Tan with business address at District 1 San Manuel Isabela, Philippines.

The grounds upon which the opposition to the Trademark Application Serial No. 4-2006-500071 for the mark STERLING were anchored are as follows:

"1. Approval of the application in question is contrary to Sections 123.1 (d) and 138 of Republic Act No. 8293.

"2. Approval of the application in question has caused and will continue to cause great and irreparable damage and injury to herein Opposer.

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

"1. Opposer is a corporation duly organized and existing under the laws of the Philippines.

A certified machine copy of Opposer's Certificate of Incorporation and Articles of Incorporation is hereto attached as Exhibit "A" and made an integral part hereof.

"2. The trademark STERLING INSIDE AN OBLONG (hereinafter, STERLING, for brevity) is duly registered in favor of Opposer under Registration No. 4-2001-008837 issued on May 13, 2006 for use on rice, corn, grains, of all kinds and other agricultural farm products, seeds, vegetables and horticultural growths under Class 31.

A certified copy of Certificate of Registration No. 4-2001-008837 is hereto attached as Exhibit "B" and made an integral part hereof.

Registration No. 4-2001-008837 continues to be in full force and effect.

"3. Opposer has not abandoned the use of its trademark STERLING registered under Registration No. 4-2001-008837 (Exhibit "B").

Submitted herewith as Exhibits "C", "C-1" and "C-6", are the duplicate original copies of the Declaration of Actual Use submitted by Opposer last August 19, 2004 as part of its Application Serial No. 4-2001-008837 (now, Registration No. 4-2001-008837 – Exhibit "B"), and made integral parts hereof.

“4. As proof of its continuous use of its registered trademark STERLING, Opposer submits herewith representative sales invoices marked as Exhibits “D” to “D-2” and made integral parts hereof.

A sample of Opposer’s sack for rice bearing its trademark STERLING and photograph thereof, are marked as Exhibits “E” and “E-1”, and submitted and made integral parts hereof.

“5. Through continuous commercial use, promotion and/or advertising of its registered trademark STERLING for the last six (6) years, the relevant sector of the public in the Philippines has come to know and identify said STERLING trademark as belonging to Opposer.

“6. The trademark STERLING being applied for registration by Respondent-Applicant, is identical to the registered STERLING trademark of Opposer.

A print-out of Respondent-Applicant’s mark as published, is hereto attached as Exhibit “F”, and made an integral part hereof.

“7. The goods, namely, sack and grains, covered by Respondent-Applicant’s application are identical to, and/or closely related to the goods covered by Registration No. 4-2001-008837 (Exhibit “B”) of Opposer.

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

“8. The approval of the application in question violates the right of Opposer to the exclusive use of its registered STERLING trademark on the goods listed in its Certificate of Registration (Exhibit “B”).

Section 138 of the IP Code provides:

“Section 138. Certificates of Registration.
-A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.”

“9. Should the trademark STERLING be registered in the name of Respondent-Applicant, the likelihood of confusion on the part of the consuming public is bound to occur, as well as confusion of source, affiliation or connection. Compounding the likelihood of confusion and deception is the fact that the goods upon which Respondent-Applicant’s trademark are to be used are identical, as well as closely related, to the goods of Opposer.

“10. Opposer has been damaged and will continue to be damaged by the registration of the trademark STERLING in the name of Respondent-Applicant, in that the use of said mark by Respondent-Applicant will prejudice the rights of Opposer over its registered STERLING trademark and irreparably impair and/or destroy the goodwill generated by its over its STERLING trademark for the last six (6) years.

"11. For the above reasons, as well as for apparent bad faith on his part in closing the trademark STERLING for use on sack and grains, Respondent-Applicant is not entitled to the registration of the mark STERLING and the approval of the application in question.

Attached herewith are labels showing how the STERLING trademark is actually being used by Opposer and a check for P12, 322.00 for filing fee, legal research and processing and hearing fees.

The Notice to Answer dated 04 September 2007 was sent to Respondent-Applicant's Counsel, Bengzon Negre Untalan, directing Respondent to file their Verified Answer within thirty (30) days from receipt. For failure to file the required Answer, this Bureau in Order No. 2008-1884 declared Respondent-Applicant to have waived their right to file the same and resolved to submit the instant suit for decision.

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

1.	A certified copy of Opposer's Certificate of Incorporation and Articles of Incorporation	-	*Exhibit "A"*
2.	A certified copy of Opposer's Certificate of Registration No. 4-2001-008837 Issued on May 13, 2006 for the trademark STERLING INSIDE AN OBLONG	-	*Exhibit "B"*
3.	Duplicate original copies of the Declaration of Actual use filed last August 19, 2004 as part of its Application No. 4-2001-008837 (now Registration No. 4-2001-008837)	-	*Exhibits "C to C-6"*
4.	Representative sales invoices of Opposer for the mark STERLING INSIDE AN OBLONG	-	*Exhibits "D to D-2"*
5.	A sample of Opposer's sack for rice bearing its Trademark STERLING INSIDE AN OBLONG	-	*Exhibit "E"*
6.	Photograph of Exhibit "E"	-	*Exhibit "E-1"*
7.	Computer print-out of the e-Gazette released on June 15, 2007 showing the publication of Respondent-Applicant's Application Serial No. 4-2006-500071 for the registration of the trademark STERLING	-	*Exhibit "F"*
8.	Duly notarized affidavit of Henry Lim Liong, Chairman of the Board and Chief Executive Office of Opposer	-	*Exhibit "G"*

The main or focal issue for this Bureau to essentially pass upon is whether or not the facts and evidence of the case would warrant rejection of Respondent-Applicant's application of the trademark STERLING filed on 19 April 2006 with Application Serial No. 4-2006-500071.

In evaluating the facts of the record and weighing the evidence presented, this Bureau must first determine or make a finding on the similarity or dissimilarity of the two marks. There is no issue that the marks involved are identical, not with the style these marks were printed or presented or with the device used thereon but the word STERLING appears both in the labels of the contending parties. Below is a side-by-side comparison of the competing marks:

Opposer's trademark
as shown in Trademark Registration No.
42001008837

STERLING

Respondent-Applicant's mark
as shown in Trademark Application No.
42006500071

Except for a minor difference in the printing of the word STERLING with Opposer using a stylized script vis-à-vis Respondent-Applicant's bold letter print and the adoption by Opposer of a device (the word STERLING inside an oblong device) which may be considered negligible, their overall appearance shows identicalness or perfect similarity. Both marks have adopted the word STERLING which is undeniably the dominant of all features in both competing marks. The word STERLING remains the dominant, prominent and distinctive feature in the new mark notwithstanding the non-adoption of a similar device as Opposer's and the use of a different print in Respondent-Applicant's STERLING mark. The word STERLING too standing alone has continued to create confusion between the competing marks. This Bureau quote with approval the pronouncement of the Court in the case of Emerald Garment Mfg. Corp. vs. Court of Appeals, 251 SCRA 600, which states:

> *"While it is true that there are other words such as "STYLISTIC", printed in the appellant's label, such word is printed in such small letters over the word "LEE" that it is not conspicuous enough to draw the attention of ordinary buyers whereas the word "LEE" is printed across the label in big, bold letters and of the same color, style, type and size of lettering as that of the trademark of the appellee. The alleged difference is too insubstantial to be noticeable."*

In the present opposition proceeding, it is undeniable that the competing marks of Opposer and Respondent-Applicant are the same or is substantially similar considering that both parties bear the same or is substantially similar considering that both parties bear the same word STERLING. Although as established in several jurisprudence, that the mere adoption and use of one person of a trademark will not automatically prevent another from adopting and using the same trademark, a careful review and consideration of the facts and evidence presented should be taken in determining whether likelihood of confusion is likely to arise by the adoption of the same trademark.

Having shown and proven resemblance of the two marks, we now delve on the matter of ownership and priority in application which certainly have decisive effects in the adjudication of the case.

A cursory reading of paragraph (d) of R.A. 8293 with emphasis on prior registration and/or application of the same mark states that:

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

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(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;"*

xxx

An examination of the documentary evidence confirms Opposer's earlier application of the trademark STERLING. Between the two contending parties, trademark application of Opposer came earlier vis-à-vis Respondent-Applicant by more or less five (5) years (*Exhibit "B", Opposer*). Hence, Opposer emerged as the first or prior applicant under the "First-to-File" rule of R.A. 8293.

Applying the above tenets, the question now lies as to whether the goods of Respondent-Applicant under Classes 22 and 30 are the same, related or indicate a connection with the goods of Opposer falling under Class 31.

For better appreciation of the contending marks, the goods of Opposer as appearing in its Registration No. 4-2001-008837 include the following goods falling under Class 31, to wit:

Class 31 – Rice, Corn, Grains of all kinds and other Agricultural farm products, Seeds, Vegetables and Horticultural Growths

On the other hand, Respondent-Applicant's goods under Classes 22 and 30 include the following:

Class 22 – Sack
Class 30 – Grains

Considering the goods of Opposer vis-à-vis Respondent-Applicant's goods, while specifically different in the classes where they are grouped or categorized, nonetheless they are related because the goods involved are agricultural farm products intended for agricultural purposes. By their being basically agricultural or farm products, they can be marketed similarly. The goods involved may flow through the same channels of trade. It is likely that they may be sold commercially in the same market altogether and have common purchasers. Under these circumstances, their farm products or the classes of merchandise covered by their application/registration are related if not the same. The Supreme Court in ESSO Standard Eastern, Inc. vs. Court of Appeals, et al, 201 Phil 803, defined what are essentially related goods under the trademark law as:

> "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, biscuits were held related to milk because they are both food products." (Emphasis supplied)

Opposer is the registered owner, originator, prior applicant and user of the trademark STERLING used on rice, corn, grains of all kinds and other agricultural farm products, seeds, vegetables and horticultural growths. The use and adoption by Applicant of the mark as subsequent user can only mean that Applicant wishes to reap on the goodwill, benefit from the advertising value and reputation of Opposer's STERLING trademark.

In the case of American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544, it was observed that:

> *"Why of the million of terms and combination of letters and designs available the appellee had to choose a mark so closely similar to*

another's trademark if there was no intent to take advantage of the goodwill generated by the other mark"

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, application bearing Serial No. 4-2006-500071 filed by Reynaldo L. Tan on 19 April 2006 for the registration of the mark "STERLING" for use on goods falling under classes 22 and 30 is, as it is hereby REJECTED.

Let the filewrapper of STERLING, 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, December 19, 2008.

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