

STA. MONICA INCORPORATED,
Petitioner,

Inter Partes Case No. 3218
Pet. For Cancellation of:

-versus-

Cert. of Regn. No. SR-6530
Date Issued: 06-01-84
Trademark : "TAIYO"
Used on : canned fish
mackerel and sardines

UPTRADE RESOURCE CORP.,
Respondent-Registrant,
X-----X

DECISION NO. 98-41

DECISION

This pertains to the Petition filed by STA. MONICA INCORPORATED, a domestic corporation located at San Diego St., Bo. Canumay, Malinta, Valenzuela, Metro Manila, seeking the cancellation of Certificate of Registration No. SR-6530 issued in the name of Uptrade Resource Corporation (URC) for the mark "TAIYO".

Records show that on June 1, 1984, "TAIYO" mark for canned fish, particularly sardines and mackerel, was registered with the Supplemental Register in the name of herein Respondent-Registrant UPTRADE RESOURCE CORP., also a domestic corporation with business address at 611 Elcano corner San Nicolas Sts., Binondo, Manila. According to said certificate, Respondent-Registrant first used "TAIYO" mark in the market on August 18, 1982.

On August 22, 1988, claiming itself to be the first to use "TOYO" mark, Sta. Monica Incorporated (SMI) filed the instant petition on the ground "that the Respondent-Registrant was not entitled to register the mark "TAIYO" at the time its application for the registration thereof."

Petitioner relied on the following facts to support its petition:

- "1. Petitioner is the registered owner of the trademark "TOYO" for Mackerel and Sardines in class 29, under Certificate of Registration No. 33794 on the Principal Register issued on October 30, 1984 and which registration is still in force and effect;
- "2. Petitioner through its predecessor in interest STA. MONICA CANNING CORPORATION, has adopted and used the trademark "TOYO" in commerce in and with the Philippines in respect of the aforesaid goods since June 30, 1982 or prior to the alleged use of the trademark "TAIYO" on August 18, 1982 by respondent-registrant herein.
- "3. That since the Petitioner is the prior user of the trademark "TOY" respondent-registrant was not entitled to register the trademark "TAIYO" which closely resembles petitioner's trademark "TOYO" at the time of its application for registration thereof.
- "4. That the registration of the trademark "TAIYO" in respondent-registrant's name while there is an existing prior user and its registration thereof, on the Principal Register is still in force and effect and not abandoned encourages unfair competition between petitioner and the respondent-registrant, considering that the labels of both parties are similar and the goods of which they are used are both canned fish and under the same classification of goods. It is obvious that petitioner's and respondent's trademark and labels are confusingly similar and their concurrent use on the same goods (canned fish) would cause confusion and mistake or deception among purchaser and in trade, thus damaging petitioner's

business reputation and putting to naught goodwill of the trademark "TOYO" of petitioner built up through many years."

After it was notified of the instant opposition, Respondent-Registrant filed its Answer thereto on October 7, 1988. On December 19, 1988, Petitioner moved for a judgment on the pleadings alleging that said Answer failed to tender an issue of otherwise admits the material allegations of the petition. This Office however, denied Petitioner's motion after a finding that the Answer raises lawful defenses.

On Motion for Reconsideration filed by the Petitioner SMI, it was held that in Section 27 of the Republic Act 166, as amended, only a person who believes that he is or will be damaged by registration of a mark may apply to cancel the said registration, thus, when Respondent-Registrant specifically denied Petitioner's claim of damage, it has set up a lawful defense. Consequently, Petitioner's Motion for Reconsideration was denied and the parties were directed to limit the factual issue to whether or not there is damage on the part of the Petitioner.

Upon failure of the Respondent-Registrant to appear at the {re-Trial Conference set on March 7, 1990, Petitioner moved to declare the former as in default. Said motion was nevertheless denied after this Office found that the Notice of Pre-Trial Conference was not received by the Respondent-Registrant. When the Pre-Trial Conference was finally terminated on November 11, 199, the parties agreed to submit their respective memoranda thirty (30) days thereafter.

Respondent-Registrant did not file its Memorandum. On the other hand, Petitioner was able to submit its Memorandum only on June 1, 1992, after its last motion for extension of time has been granted, with warning that no further extension shall be granted.

Herein Petitioner bases its action on the ground that the Respondent-Registrant was not entitled to the registration of the subject mark at the time of its application therefor. Petitioner alleges that it is the registered owner of the mark "TOYO" for mackerel and sardines under Certificate of Registration No. 33794 issued on October 30, 1984. It has adopted and used said trademark in commerce and in the Philippines in respect of aforesaid goods since June 30, 1982 through its predecessor in interest STA. MONICA CANNING CORPORATION.

Petitioner claims that since it is the prior user of the mark "TOYO" which it has not abandoned, it stands to be damaged by the registration of the mark "TAIYO" inasmuch as it closely resembles the former. Petitioner also avers that considering the similarity in the labels of both products and the fact that the goods on which they are used fall under the same classification, the purchasing public is likely to be confused or deceived and mistake one product to be the other.

Upon the other hand, Respondent-Registrant contends there is no reasonable basis to engender a belief that the concurrent use of the respective marks on the same goods would cause confusion or deception among purchasers. In support of this contention, Respondent-Registrant pointed out the following differences between the two marks:

1. The two trademarks have different syllabifications. "TOYO" has two syllables while "TAIYO" mark has three, hence, the respective marks are pronounced and sounds differently from each other, to wit: TO-YO and TA-I-YO.
2. All the vowels in both marks are pronounced in Pilipino, hence, TOYO is pronounced with short 'o', while "TAIYO with short 'a', short 'o' and short 'i'.
3. The size. Length, edges and width of the letters "T" and "Y" are totally divergent in each other.

4. The outside circumference and diameter of the respective letters "O" in both marks are likewise contra-indistictive, and
5. In TAIYO, there are letters "A" and "I" which are vividly absent in the trademark TOYO.

Respondent-Registrant insists Petitioner cannot claim exclusive and vested rights to the size of the cans as well as the shape thereof, moreso with the label presentation inasmuch as this figurative representation of the contents of the products have been existing and used in other brands such as HAKONE and LIGO.

Respondent-Registrant also alleges, "TOYO" is a weak mark. It had been invariably used in different products by different users, and the Petitioner's use of "TOYO" mark is just forty-eight (48) days ahead of the Respondent-Registrant's use of its "TAIYO" mark, therefore, "TOYO" products cannot sufficiently establish the market acceptability and reputation claimed by the Petitioner. Moreover, Respondent-Registrant asserts, the issue of confusing similarity had already been settled when "TAIYO" was allowed registration following advance examination.

We cannot agree that these minor differences would render confusion or deception and mistake by the purchasers unlikely.

The case in point now is Del Monte Corporation vs. Court of Appeals, 181 SCRA 410. According to the Supreme Court:

"The question is not whether the two articles are distinguishable by their label when set side by side but whether the general confusion made by the article upon eh eye of the casual purchaser who is unsuspecting and off his guard, is such as to likely result in his confounding it with the original. As observed in several cases, the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade and giving the attention such purchasers usually give in buying that class of goods is the touchstone."

A casual examination of both labels submitted in this case especially on sardines, marked Annex "A" and on file with the records of this case, reveal that they contain the same presentation of One and a half tomato and a fish over it with the words "In Tomato Sauce", and the marks TAIYO and TOYO appearing above the said representation as well as the word "sardines" appearing below said representation. A side by side comparison of said labels would likewise show that they have the same red background with other letters written either in colors white or yellow so that there is a very strong possibility that the purchasing public may be confused or deceived into believing that they are the same or that they are came from the same source or origin.

In the aforementioned case of Del Monte Corporation and Sunshine Sauce Manufacturing Industry, the Supreme Court noticed:

"x x x in making purchases, the consumer (must) depend upon his recollection of the appearance of the products which he intends to purchase. The buyer having in mind the mark/label of the respondent (must) rely(ies) upon his memory of the petitioner's mark. Unlike the judge who has ample time to minutely examine the labels in question in the comfort of his sala, the ordinary shopper does not enjoy the same opportunity."

"x x x The court therefore should be guided by its first impression for a buyer acts quickly and is governed by a casual glance, the value of which may be dissipated as soon as the court assumes to analyze carefully the respective features of the mark."

“We also note that the respondent court failed to take into consideration several factors which should have affect its conclusion, to wit: age, training and education of the usual purchaser, the nature and cost of the article, whether the article is bough for immediate consumption and also the conditions under which it is usually purchased. Among these, what essentially determines the attitude of the purchaser, specifically his inclination to be cautious, is the cost of the goods. To be sure, a person who buys a box of candies will not exercise as much care as one who buys an expensive watch. As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. Expensive and valuable items are bought only after deliberate, comparative and analytical investigation. But mass products, low priced articles in wide use, and matters of everyday purchase requiring frequent replacement are bought by the casual consumer without great care. In this latter category is catsup.”

In the case at bar, sardines belongs to this category of everyday purchase.

The Highest Tribunal said further –

“x x x The judge must also be aware of the fact that usually a defendant in case of infringement does not normally copy but makes only colorable changes. Well has it been said that the most successful form of copying is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts.”
(Underscoring ours)

Guided by the following principles, this Office concludes that there indeed is confusing similarity between the Petitioner’s and the Respondent-Registrant’s marks. It is also noted that the Respondent-Registrant made a little variation in its mark as already mentioned above, but it did not make any difference in the conclusion arrived at by this Office. The fact remains that the Respondent-Registrant copied the Petitioner’s representation in its label.

To quote the Supreme Court,

“As previously stated, the person who infringes a trademark (herein Respondent-Registrant) does (did) not (normally) copy out but only makes (made) colorable changes, employing enough points of similarity to confuse the public with enough points of differences to confuse the courts. What is undeniable is the fact that when a manufacturer prepares to package his product, he has before him a boundless of choice of words, phrases, colors and symbols sufficient to distinguish his product from the others. x x x”

WHEREFORE, the instant Petition for Cancellation is, as it is hereby, GRANTED. Accordingly, Certificate of Registration No. SR-6530 for the trademark “TAIYO” issued in favor of Respondent-Registrant UPTRADE RESOURCE CORP. is, as it is hereby, CANCELLED.

Let the filewrapper of TAIYO subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Bureau for appropriate action in accordance with this DECISION with a copy to be furnished the Bureau of Trademarks for information and update of its records.

SO ORDERED.

Makati City, 28 December 1998.

ESTRELLITA BELTRAN-ABELARDO
Caretaker/Officer-In-Charge