STORZ INSTRUMENT COMPANY/
BAUSCH & LOMB INCORPORATED
Opposer,
- versus -

KARL STORZ GMBH & Co. KG
Respondent-Applicant.

x----------x

IPC 14-2006-00036

Opposition to:
TM Application No. 4-2001-003798
(Filing Date: 01 June 2001)

TM: "STORZ (BLACK LOGO)
KARL STORZ-ENDOSKOPE

Decision No. 2007 – 89

DECISION

Before this Bureau is an Opposition filed by Bausch & Lomb Incorporated, a corporation duly organized and existing under and by virtue of the laws of the State of New York, U.S.A. with principal office at One Bausch & Lomb Place, Rochester, New York 14604, U.S.A., against the application for registration of the trademark "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" for use on endoscopes and related goods in Class 09 and surgical, medical, dental and veterinary apparatus and instruments in Class 10, with Application Serial No. 4-2001-003798 and filed on 01 June 2001 in the name of Respondent-Applicant, Karl Storz GMBH & Co. KG with business address at Mittelstrasse 8 D-78532 Tuttlingen, Germany.

The grounds for the opposition to the application for registration of the trademark "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" are as follows:

"1. Opposer or its Predecessor is the registered owner of the well known trademark STORZ, which is used and registered in over 55 countries worldwide in Classes 5, 9 and 10, and in the Philippines under Registration NO. 4-1994-98340 issued by the Intellectual Property Office on February 16, 2000, as a trademark for medical instruments for surgical and diagnostic use in Class 10. Opposer or its Predecessor is the first user of the trademark STORZ, which was first used in the United States of America since 1927, and in the Philippines and other countries long before applicant appropriated the same mark for its own products.

"2. Applicant's STROZ (BLACK LOGO) KARL STORZ-ENDOSKOPE trademark so resembles Opposer's trademark STORZ, as to be likely, when applied to or used in connection with endoscopes and related goods in Class 09 and surgical, medical, dental and veterinary apparatus and instruments in Class 10 to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Applicant's goods originate from or are manufactured by Opposer or are endorsed, sponsored or licensed by it.

"3. The registration and use by Applicant of the trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE will diminish the distinctiveness and dilute the goodwill of Opposer's trademark STORZ, which is an arbitrary trademark when applied on Opposer's products.

"4. Applicant adopted the trademark STORZ on its own products with the obvious intention of misleading the public into believing that said products bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as closely connected surgical and medical diagnostic instruments.

"5. The approval of applicant's trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE is based on the representation that it is the originator, true owner and first

user of the trademark, which was merely copied/derived from Opposer's STORZ trademark.

"6. Opposer or its Predecessor is the first user of the trademark STORZ in Philippine commerce and elsewhere for decades. Opposer's goods bearing the trademark STORZ are dedicated to medical and surgical instruments and applicant's use of the same mark on similar or related goods is likely to cause consumer confusion as to the ownership or affiliation of the said goods.

"7. Applicant's appropriation and use of the trademark STORZ as the dominant element of its mark infringes upon Opposer's exclusive right to use the trademark STORZ, which is a well-known trademark protected under Sections 37 of the old Trademark Law, Section 147 and 165 of the IP Code, Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and the United States of America adhere.

"8. The registration of the trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE in the name of the applicant is contrary to other provisions of the IP Code.

Opposer relied on the following facts to support its contentions in this Opposition:

"1. Opposer or its Predecessor is the first user of the trademark STORZ. Opposer or its Predecessor has been using STORZ as a trademark for its goods since 1927, long before Applicant's unauthorized appropriation of the trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE. Opposer or its Predecessor has been commercially using the trademark STORZ for more than 75 years. Opposer or its Predecessor has been using the STORZ mark and name in the Philippines and in many other countries long before the appropriation and the filing of the application for the registration of the trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE by Applicant.

"2. Opposer or its Predecessor is the first and prior registrant of the trademark STORZ in the Philippines and elsewhere. Oppose or its Predecessor first applied for the registration of STORZ in the United States of America. Syngenta Limited is an affiliate of Syngenta International AG, a world-leader in agribusiness specifically in crop protection and high-value in 1995 and Germany and Canada in 1964 and has obtained registration for STORZ as trademark since 1956 in the United States and in over 55 other countries worldwide.

"3. Opposer's trademark STORZ is an arbitrary trademark and is entitled to broad legal protection against unauthorized users like Applicant who has appropriated the identical trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE for use in connection with endoscopes and related goods in Class 09 and surgical, medical dental and veterinary apparatus and instruments in Class 10.

"4. Opposer or its Predecessor is the first user of the trademark STORZ for the above-mentioned goods. Applicant has appropriated the trademark STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE for the obvious purpose of capitalizing upon the renown of Opposer's self-promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer.

"5. The registration and use of a confusingly similar trademark by the Applicant's goods emanate from or are under the sponsorship of Opposer and will damage Opposer's interests for the following reasons:

i) The dominant element of the trademarks is substantially identical.

ii) Applicant's unauthorized appropriation and use of STORZ as part of its mark will dilute its goodwill and reputation among consumers.

iii) Applicant used STORZ on its own goods as a self-promoting trademark to gain public acceptability for its goods through its association with Opposer's popular STORZ trademark, which is used on surgical, medical dental and diagnostic apparatus and instruments.

iv) The use of Applicant's trademark on its goods will establish a connection with the Opposer because the goods covered by the mark are identical, similar or related.

v) Applicant intends to trade, and is trading on, Opposer's goodwill.

"6. The registration and use of an identical trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's trademark.

The Notice to Answer dates 28 march 2006 was sent to Respondent through their Counsel, Carag Caballes Jamora & Somera directing it to file their Verified Answer within a prescribed period from receipt.

Respondent-Applicant, through Counsel, filed its Answer on 07 August 2006 and interposed the following ADMISSIONS and DENIALS, to wit:

1. "It denies paragraphs 1, 3, 4 and 5 of the Opposition for being immediately conclusory, and misleading, the truth being that stated in the Special and Affirmative Defenses set forth hereunder.

2. "It admits paragraphs 2 and 8 of the Opposition to the extent that the same provide for the existence of Respondent-Applicant's application for registration of its mark "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" covering goods falling under International Classes 9 and 10, but denies the rest of the allegations therein for alleging confusing similarity of Respondent's afore-identified mark to the Opposer's STORZ mark, and for being immediately conclusory, and misleading, the truth being that stated in the Special and Affirmative Defenses set forth hereunder.

3. "It denies the allegations contained in paragraph 6 of the Opposition, for lack of knowledge or information sufficient to form a belief as to the truth thereof, and for being immediately conclusory, and misleading, the truth being that stated in the Special and Affirmative Defenses set forth hereunder.

4. "It admits paragraph 7 of the Opposition only insofar as it cites pertinent provisions of R.A. No. 8293, or the Intellectual Property Code of the Philippines, the Paris Convention and Agreement on Trade Related Aspects of Intellectual Property Rights, and denies the rest of the allegations therein, the truth being that stated in the Special and Affirmative Defenses set forth hereunder.

and by way of defense further stated the following, to wit:

5. "Respondent-Applicant repleads and incorporates herein by way of reference, all of the foregoing allegations, insofar as they are material and relevant hereto.

6. "Opposer has, and its Opposition states, no cause of actions against herein Respondent-Applicant.

7. “Respondent-Applicant is a limited partnership organized under the laws of Germany. It has been producing medical instruments under the STORZ name as early as 1945. Products bearing the Respondent-Applicant’s Mark have been manufactured, produced, marketed, sold, offered for sale, and distributed in various countries around the world.

8. “Respondent-Applicant has obtained/secured trademark certificates of registration for its Mark in the United States, as follows:

Mark	Registration No.	Date Issue
KARL STORZ AIDA	3,089,007	May 09, 2006
KARL STORZ IMAGE WORLD	2,855,514	June 22, 2004
KARL STORZ IS QUALITY…	2,839,390	May 11, 2004
KARL STORZ IS QUALITY..	2,825,463	March 23, 2004
KARL STORZ	2,670,809	January 7, 2003
KARL STORZ	2,539,069	February 19, 2002
KARL STORZ	2,739,408	April 29, 2003
KARL STORZ-THE WORLD OF ENDOSCOPY	2,710,321	July 22, 2003

9. “Contrary to Opposer’s allegations in the Opposition, and in the interest of setting the record straight, Respondent-Applicant would like this Honorable Office to take note of the fact that KARL STORZ GMBH & CO. KG has an existing worldwide agreement (“Agreement”), which was executed on April 26, 1982, with the above-captioned Opposer Storz Instrument Company (now Baush & Lomb, Inc.), stating therein, in Section 3 thereof, that with certain limited exceptions, neither Storz Instrument nor Karl Storz may use the word “STORZ” alone, and that KARL STORZ may use the following in the trademark or service mark sense: “KARL STORZ GERMANY”, “STORZ-GERMANY”; “KARL STORZ USA”; “KARL STORZ ENDOSCOPY-AMERICA”; “KARL STORZ-ENDOSCOPY”; “STORZ ENDOSKOP”; “KARL STORZ ENDOSKOP”; “KS STORZ”; “The initial “K” may be substituted for “KARL” in any of the foregoing”. The said Agreement was attached to our Responsive Action dated November 29, 2002 in response to Office Action (Paper No. 2) bearing mailing date of August 1, 2002. (A copy of said Responsive Action, to which the aforementioned Agreement was attached, is marked and attached herewith as Exhibit “10”, to form an integral part hereof).

10. “It was likewise stated in said Agreement that “as to both partied, they may supplement any of the above examples with additional trademark formatives, whether by way of letters, numbers, words, syllable, or designs.” The disputed design contains a large stylized “STORZ” on top, accompanied by the phrase “KARL STORZ-ENDOSKOPE” underneath. It is apparent that pursuant to the Agreement, the word “STORZ” is not used alone, but is always accompanied by a form of the word “ENDOSCOPY”. This addiction is clearly in the tenor of the names approved in Section 3 of the Agreement. The word “STORZ” is presented in a highly stylized form (i.e. the bullseye for the “O” as well as a stylized type style) in the manner of a design, and thus would be supplemental formative permitted by Section 3 of the Agreement.

11. “Karl Storz adopted variations on the disputed designs in 1985, after consultation with Storz Instrument. Letters dated June 18, 1985, June 24, 1985 and July 22, 1985 (Copies of said letters are marked and attached herewith as Exhibits “11”, “12”, “13”, to form an integral part hereof) were exchanged between Norman Silbertrust and Robert H. Blankemeyer, Senior Vice President for Sales and Marketing of Storz Instrument at that time. Please note that these designs were transmitted to Mr. Blankmeyer for his review, and that his letter of June 24, 1985

specifically states that “the proposed logo in no way offends the letter or spirit of our Agreement on trademarks.” Karl Storz relied on this prior approval when adopting the new designs, and subsequent modifications have been minor (“STORZ-Endoscopy” to “STORZ-The World of Endoscopy, for example). This correspondence illustrates that Storz has taken great care to comply with both the letter and the spirit of the Agreement.

12. “Moreover, it has been stipulated in Section 4 of said Agreement that “it is the intention of the parties that this settlement between them shall be worldwide in scope, and shall result in respective tradename, trademark and service mark positions which will properly be enforceable not only as between the parties, but also against all other entities.” (Undescoring ours).

13. “In relation to the afore0quoted Section 4, it is also worth to note Section 8 of the Agreement, which states that “STORZ INSTRUMENT” agrees not to raise any objections in any manner if KARL STORZ uses any of the world or applies for registration of any such marks in any country of the world, STORZ INSTRUMENT also agrees not to assist any third parties in any attacks or contests of any kind against use or registration of any of such marks in any country.

14. “The foregoing provisions in the Agreement clearly demonstrates estoppel on the part of Storz Instrument Company to question the appropriate use by Karl Storz of the mark in dispute in any part of the world, and therefore, the former cannot reasonably oppose the trademark application of the latter here in the Philippines.

15. “More importantly, the last provision of said Agreement states that the Agreement “shall be binding upon and inure to the benefit of affiliates and subsidiaries of the parties and their successors.” (pages 8 & 9 thereof). Hence, this Agreement clearly applies to Bausch and Lomb, Inc., successor of Storz Instrument Company.

16. “Likewise, contrary to Opposer’s assertion, the registration of the Respondent-Applicant’s “STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE” mark covering goods falling under International Classes 9 and 10 is but proper and valid, considering that Respondent-Applicant’s said application has passed through a thorough examination process before this Honorable Office’s Bureau of Trademarks, and that Respondent-Applicant’s Mark could not at all be considered to be either identical nor confusingly similar to the Opposer’s “STORZ” mark. The latter consists simply of the word “STORZ”, presented in the upper case format, while the Respondent-Applicant’s “STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE”Mark consists of the word “STORZ” that is presented in a highly stylized format, with the letter “O” having a bulls eye design, and the word being presented in a stylized type style. More importantly, the disputed mark “STORZ”, aside from being highly stylized, is accompanied by the phrase “KARL STORZ-ENDOSKOPE” underneath which apparently sets it apart from the mark of the Opposer.

17. “Our Supreme Court, in a number of decided cases, cited the following test laid down in determining the issue of confusing similarity between two or among several trademarks, to wit:

> “In determining whether two trademarks are confusingly similar, the two marks in their entirely as they appear in their respective labels must be considered in relation to the goods, to which they are attached; the discerning eye of the observer must focus not only on the predominant words, but also on the other features appearing on both labels.”

(Emphase supplied; Del Monte Corporation vs. Court of Appeals, 181 SCRA 415-416, citing Mead Johnson Co. vs. N.V.J. Van Doy Ltd., 7 SCRA 768; and "Bristol Myers Co. vs. Director of Patents, 17 SCRA 128)

18. "The following ruling was held in the case of Societe Des Produits Nestle, S.A. vs. Court of Appeals, et al; 356 SCRA 207, 217, to wit:

> "xxx. It must be emphasized that in infringement of trademark cases in the Philippines, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case must be decided on its own merits. (citing the ruling in the case of Emerald Garments Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600).
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> In Esso Standard, Inc. vs. Court of appeals, (116 SCRA 336) we ruled that the likehood of confusion is a relative concept; to be determined only according to the particular, and sometimes peculiar circumstances of each case. In trademark cases, even more than in any litigation, precedent must be studied in light of the facts of a particular case. The wisdom of likelihood of confusion test lies in its recognition that each trademark infringement case presents its own unique set of facts. Indeed, the complexities attendant to an accurate assessment of likelihood of confusion require that the panoply of elements constituting the relevant factual landscape be comprehensively examined (citing Thompson Medical Co. vs. Pfizer, Inc., 753 F. 2d, 225 USPOQ 124)
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> (Emphases and italics supplied)

19. "It must be pointed out that the presentation of herein Respondent-Applicant's mark is distinct from that of Opposer's "STORZ" mark. The mere presence in both marks of the word "STORZ" does not, by itself, constitute a ground for this Honorable Office to deny the application for registration filed by the Respondent-Applicant.

and averred the following Compulsory Counterclaims, to wit:

20. "Respondent-Applicant repleads and incorporates herein by way of reference, all of the foregoing, insofar as they are relevant hereto.

21. "As a consequence of the filing of this clearly baseless and unfounded Opposition, Respondent-Applicant was constrained to seek the services of counsel to defend itself, and to protect its rights, thereby agreeing to pay the amount of at least Php 500,000.00, as and by way of attorney's fees, and in incurring expenses of litigation, for which Opposer should be adjudged liable to Respondent-Applicant.

22. "By way of an example for the public good, Opposer must be held liable for the amount of at least Php 500,000.00, as and by way of exemplary damages.

From receipt of the above Answer, this Bureau required the parties to attend the Preliminary Conference which finally took place on 12 April 2007 and on the same day, the parties agreed to terminate the conference and then submitted the case for decision.

Considering that the case was mandatorily covered by the Summary Rules under Office Order No. 79, this Bureau required the parties through their counsels to submit their respective position papers. Opposer filed its position paper on 09 May 2007 while Respondent-Applicant filed theirs on 07 May 2007 with its supplemental position paper filed on 17 May 2007.

In support of its prayer for the rejection of Application Serial No. 4-2001-003798 for the mark "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE", Opposer's evidence consisted, among others, of the Affidavit-testimony of Jean F. Geisel, the Secretary of Bausch & Lomb Incorporated, successor company of herein Opposer, Storz Instrument Company (Exhibit "A"); Certificate of Merger of Bausch & Lomb Surgical, Inc. into Bausch & Lomb Surgical, Inc. into Bausch & Lomb Incorporated (Exhibit "B"); Certificate of Merger of Storz Ophthalmics, Inc. into Chiron Vision Corporation (Exhibit "B-1"); Certificate of Merger of Storz Instrument Company into Storz Ophthalmics, Inc. (Exhibit "B-3"); List of registration of Opposer's trademark STORZ in many countries worldwide (Exhibit "C"); Certificate of Registration of Opposer's trademark STORZ under Class 10 obtained in Australia on 05 July 1991 (Exhibit "G"); Certificate of Registration of Opposer's trademark STORZ under Class 10 obtained in Canada on 26 February 1965 (Exhibit "G-1"); Certificate of Registration of Opposer's trademark STORZ under Classes 05 and 09 obtained in Denmark on 23 December 1994 (Exhibit "G-2"); Certificate of Registration of opposer's trademark STORZ under Classes 09 and 10 obtained in Japan on 29 October 1993 (Exhibit "G-3"); Certificate of Registration of Opposer's trademark STORZ under Class 44 obtained in Mexico on 25 Mexico 1989 (Exhibit "G-5"); Certificate of Registration of Opposer's trademark STORZ under Class 10 obtained in U.S.A. on 15 August 2000 with date of first use in commerce on 01 March 1927 (Exhibit "G-8"); Certificate of Registration of Opposer's trademark STORZ under Classes 05 and 10 obtained in Italy on 16 June 1994 (Exhibit "G-11"); Certificate of Registration of Opposer's trademark STORZ under Class 10 obtained in the Philippines on 16 February 2000 with filing date on 04 November 1994 (Exhibit "H").

Attached as documentary evidence, among others, for the Respondent-Applicant are U.S. Trademark Registration No. 3,089,007 of KARL STORZ AIDA for Class 09 obtained on 09 May 2006 (Exhibit "1"); U.S. Trademark Registration No. 2,855,514 of KARL STORZ IMAGE WORLD for Class 16 obtained on 22 June 2004 (Exhibit "2"); U.S. Trademark Registration No. 2,839,390 of KARL STORZ IS QUALITY…AND QUALITY IS NOT DISPOSABLE for Class 09 obtained on 11 May 2004 (Exhibit "3"); U.S. Trademark Registration No. 2,825,463 of KARL STORZ IS QUALITY…AND QUALITY IS NOT DISPOSABLE for Class 16 obtained on 23 March 2004 (Exhibit "4"); U.S. Trademark Registration No. 2,670,809 of KARL STORZ for Class 09 obtained on 07 January 2003 (Exhibit "5"); U.S. Trademark Registration No. 2,539,069 of KARL STORZ for Class 09 obtained on 19 February 2002 (Exhibit "6"); U.S. Trademark Registration No. 2,739,408 of KARL STORZ-THE WORLD OF ENDOSCOPY for Class 10 obtained on 22 July 2003 (Exhibit "7"); U.S. Trademark Registration No. 2,710,321 of KARL STORZ-THE WORLD OF ENDOSCOPY for Class 16 obtained on 29 April 2003 (Exhibit "8"); Responsive Action filed by Respondent-Applicant with the attached 1982 Agreement between Storz Instrument Company vs. Karl Storz GMBH & Co. (Exhibit "10").

For consideration in particular is the propriety of Application Serial No. 4-2001-003798. Resolution by this Office is called for on the following issues:

1. whether or not there is confusing similarity between Opposer's STORZ trademark for use primarily on medical/dental/surgical instruments or goods falling under Classes 05, 09 and 10 vis-à-vis Respondent-Applicant's STORZ mark, covering goods under Classes 09 and 10, in particular for endoscopy and medical/dental/surgical/veterinary apparatus and instruments, among others;

2. Whether or not Respondent-Applicant's trademark application for the mark "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" should be granted registration on Section 123.1 (d), (e), (f), Section 147 and Section 165 of R.A. 8293;

3. whether or not the subject trademark application is violative of 1982 Agreement executed between Opposer and Respondent-Applicant, parties herein;

Before dwelling on issues about confusing similarity and priority in registration as well as the application of the First-to-File principle in the case at bar, this Bureau finds it imperative to delve on or first determine the nature of the 1982 Agreement which certainly have decisive effects in the adjudication of the case at bench. There is no issue on the existence of the 1982 Agreement, in fact, in the preliminary conference held on 12 April 2007, Opposer's act through Counsel showed that it acknowledged and/or confirmed the existence of the subject Agreement when it said:

HEARING OFFICER:	So other issues to be clarified before we terminate the Preliminary Conference?
ATTY. ZALES:	Yes your Honor we'd like to propose just two issues. First is whether or not the dominant elements of Opposer's and Respondent-Applicant and its marks are confusingly similar with each other. The second issue that we would want to propose is whether or not Opposer's trademark is protected under Section 123.1, d, 3, f, Sec. 147 and Sec. 165 of the IP Code, as well as under Article 6 of the Parish Convention and Article 16 of the Trips Agreement. And whether or not the, the third issue that we would want to propose is whether or not the 1982 agreement entered into between Opposer and Respondent-Applicant is or may I just rephrase the issue your Honor. Whether or not Respondent-Applicant's application for the registration of the subject mark is in violation of the 1982 agreement executed between Respondent-Applicant and the Opposer. [TSN, 12 April 2007, p.3].

x x x

To differentiate Applicant's STORZ mark vis-à-vis Opposer's STORZ trademark and to comply with the terms agreed upon in the 1982 Agreement executed by themselves (Exhibit "10", Respondent), below Applicant's STORZ mark is written the label KARL STORZ-ENDOSKOPES with a hyphen. Pertinent portion of the said Agreement and we quote paragraph 3:

x x x

"3. With the foregoing in mind, the parties agree that whatever they the word "Storz" in the trademark or service mark sense, it will be used alone only as specified below; and when used with a formative, only as specified below…

As to KARL STORZ:

i) KARL STORZ GERMANY
ii) STORZ-GERMANY
iii) KARL STORS
iv) KARL STORZ USA
v) KARL STORZ ENDOSCOPY-AMERICA
vi) KARL STORZ-ENDOSCOPY
vii) STORZ ENDOSKOP

viii) KARL STORZ ENDOSKOP
ix) KS STORZ
x) The initial “K” may be substituted for “KARL” in any of the foregoing

x x x

Whether or not the subject mark, “STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE”, is in conformity to the terms and conditions of the 1982 Agreement and such Agreement is binding between the parties who executed it, the same has no legal effect, and therefore invalid when two trademarks are allowed to co-exist and create confusion in the minds of the public when these marks are identical and/or confusingly similar with each other. Our trademark law requires that in the use or adoption of the mark, there must be absent in trade anything that is likely to result or cause confusion, mistake or deception to the public in the sale, promotion and distribution of goods and in rendering services, including confusion as to origin or source of these goods and services.

The purpose of the trademark law is two-fold: to avoid consumer confusion and to protect a trademark owner from trading off the goodwill which the latter has established and accumulated over the years from long and continued use of its trademark. Thus, trademark law is crucial to protect the interests of both consumers and producers. [citing Duraco Products Inc. vs. Joy Plastic Enters., Ltd., 40 F 3d 1431, n. 10, 32 U.S.P.Q. 2d 1724, n. 10 (3d Cor. 1994)]

On whether the existence of both Opposer and Applicant’s marks in trade results in confusion, this Bureau has to evaluate the facts of the record and weigh the evidence presented before it. The source of confusion lies in Respondent-Applicant’s appropriation of the mark “STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE”, which is the same in sound and spelling vis-à-vis Opposer’s trademark, STORZ. Both trademarks are used for endoscopy and other medical/surgical/dental apparatus and instruments under Classes 09 and 10. There is no issue the marks involved are identical, not with the style these marks were printed or presented or with the device used thereon but the mark STORZ appears both in the labels of the contending parties. Below is a side-by-side comparison of the subject marks:

STORZ

STORZ

Opposer’s STORZ mark
Registration No. 066835
Registration No. 41994098340

Respondent’s STORZ mark
Application No. 42001003789

Except for a minor difference in the printing of the STORZ labels which may be considered as negligible, their overall appearance shows identicalness or perfect similarity. Opposer’s and Applicant’s marks are both one-word marks that are made up of the letters S, T, O, R with the letter Z in the end consisting of one (1) syllable and is pronounced the same way. The marks are phonetically the same, of identical sounds with similar consonant and vowel content. The STORZ mark of Respondent-Applicant consisted of a mark STORZ for use on medical, dental and surgical instruments, more particularly on endoscopy under Classes 09 and

10. Anyone is likely to be misled by its close resemblance or identity with Opposer's trademark STORZ used and not abandoned by Opposer and applied on the same medical products in particular for endoscopy. The subject mark applied for, "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" and Opposer's STORZ trademark as they appear on the goods of the contending parties readily manifest the glaring similarities.

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 involving same or similar goods states that:

> "SEC.123.Registrability. – 123.1 A mark cannot be registered if it:
>
> 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. It nearly resembles such a mark as to be likely to deceive or cause confusion;"
>
> x x x

The preceding section provides that it is the owner of a registered mark or an owner of a mark with an earlier filing date or priority date that can oppose an application for registration of another mark involving the same or related products. The purpose of the Trademark Law is to provide protection not only to the owner of the trademark or proprietor of a mark with an earlier filing or priority date in exact adherence to the First-to-File Rule as one important factor of registrability under R.A. 8293, likewise, and more importantly, to the unwary public that they may not be confused, mistaken or deceived by goods they buy.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark 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, from an array of evidence submitted by Respondent-Applicant to prove its entitlement for registration of the mark STORZ for use on goods under Classes 09 and 10, no single proof equivocally showed priority either in registration or application in the Philippines and abroad. Opposer, Storz Instrument Company/Bausch & Lomb Incorporated, on 4 November 1994, filed with the then Bureau of Patents, Trademarks and Technology Transfer or BPTTT for brevity an application for the registration of the mark STORZ for ophthalmic pharmaceuticals and instruments for surgical and diagnostic use under Classes 05 and 10. These trademark applications matured into registration in the years 1998 and 2000. Respondent-Applicant, on its part, filed their application for registration of the mark, "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" on 01 June 2001 for use on endoscopes and other goods in Class 09 and surgical, medical, dental and veterinary apparatus and instruments, all covered under Class 10. As it now stands, we may safely deduce that it is the Opposer, not the Respondent-Applicant, which can claim priority of an earlier filing pursuant to Section 123 of R.A. 8293.

Moreover, it may well be worthy to note that as early as the year 1965, Opposer obtained registration of the trademark STORZ, more particularly in Canada (Exhibit "G-1") and one USA registration (Exhibit "G-8") indicated the date of first use which was on March 01, 1927. These

registrations are subsisting and have not been abandoned. Hence, Respondent-Applicant, by any parity of reasoning, cannot be considered an originator, prior registrant nor a prior applicant of the subject or questioned trademark.

The mark STORZ remains the dominant, prominent and distinctive feature in Applicant's STORZ mark, even if below this mark the label, KARL STORZ-ENDOSKOPES with a hyphen is written, the general outcome does not satisfy the requirement under the trademark law that the term STORZ 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:

> "The word "LEE" is the most prominent and distinctive feature of the appellant's trademark and all of the appellee's "LEE" trademarks. It is the mark which draws the attention of the buyer and leads him to conclude that the goods originated from the same manufacturer. While it is true 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."

Clearly etched in Converse Rubber Corp. vs. Universal Rubber Products, Inc. is the concept of likelihood of confusion where it said "The similarity in the general appearance of respondent's trademark and that of petitioner would evidently create a likelihood of confusion among the purchasing public. xxx The risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source. "The law does not require actual confusion, it suffices that confusion is likely to occur in the sale of the goods and adoption of both marks (Philips Export B.V., et al. vs. Court of Appeals, et al. G.R. No. 96161, February 21, 1992). Hence, the likelihood that prospective buyers may perceive that Respondent's goods are manufactured by or is associated or connected with Opposer is probable.

Opposer is the registered owner, originator, prior applicant and user of the trademark STORZ used on endoscopes and other goods included in classes 09 and 10. 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 STORZ trademark.

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

> "Why of the million 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. Accordingly, application bearing Serial No. 4-2001-003798 filed by Karl Storz GMBH & Co. KG on 01 June 2001 for the registration of the mark , "STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE" for use on goods falling under classes 09 and 10 is, as it is hereby REJECTED.

Let the file wrapper of, STORZ (BLACK LOGO) KARL STORZ-ENDOSKOPE, 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, 29, June 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs