

SWISS ARMY BRAND LTD.,
Opposer,
- versus -

IPC 14-2006-00150

Opposition to:
TM Application No. 4-1998-001193
(Filing Date: 20 February 1998)

DH & Co. S.A.,
Respondent-Applicant.

TM: "SWISS ARMY dhc+"
AND DEVICE

x-----x

Decision No. 2007 – 71

DECISION

Before this Office is an Opposition filed by Swiss Army Brand Ltd., a corporation duly organized and existing under the laws of the State of Delaware United States of America, with principal office address at One Research Drive, Shelton, Connecticut, 06484, U.S.A. Against the application for registration of the trademark "SWISS ARMY dhc+ and DEVICE" for goods in Class 14, with Application Serial No. 4-1998-001193 and filed on 20 February 1998 in the name of Respondent-Applicant, DH & Co. S.A with address at CH-2610 Saint-Imies Rue Des Roches 30, Switzerland.

The grounds upon which the opposition for registration of the trademark SWISS ARMY dh+ and DEVICE were anchored are as follows:

"1. Opposer is the prior user and registered owner of the trademark SWISS ARMY in the Philippines, under Registration No. 4-1993084903 issued by the Intellectual Property Office on October 24, 2005 for goods in Class 14, specially clocks and watches. Opposer is the prior user of the trademark SWISS ARMY in the United States of America and other countries long before Applicant Appropriated the nearly identical mark SWISS ARMY dhc+ for its directly competing products.

"2. Under Section 123.1 (d) of the IP Code, Applicant's application for the mark SWISS ARMY dhc+ and DEVICE cannot and should not be registered because of Opposer's Registration No. 4-1993-84903 for the mark SWISS ARMY for the same class of goods. Under Section 147.1, a likelihood of confusion is presumed in case of an identical sign for identical goods.

"3. Applicant's trademark SWISS ARMY dhc+ is identical to Opposer's trademark SWISS ARMY, and is likely, when applied to or used in connection with the identical goods of Application, to cause confusion, mistake and deception on the part of the purchasing public by misleading purchasing public by misleading into thinking that Applicant's goods either come from Opposer or are sponsored or licensed by it, Applicant's trademark SWISS ARMY dhc+ incorporates the dominant feature of Opposer's a mark SWISS ARMY and infringes upon Opposer's exclusive right to use its registered mark in commerce under Section 155.1 of the IP Code.

"4. The registration and use by Applicant of the trademark SWISS ARMY dhc+ will diminish the distinctiveness and dilute the goodwill of Opposers trademark and trade name SWISS ARMY, which is associated by consumers worldwide with Opposer as its rightful owner and source of products bearing it.

"5. Applicant appropriate Opposer's SWISS ARMY mark, added "dhc+" to it create the confusingly similar trademark SWISS ARMY dhc+ for identical goods with the obvious intention of misleading the public into believing that is goods bearing its alleged trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the manufacturer of goods bearing the trademark SWISS ARMY.

"6. The approval of Applicant's trademark SWISS ARMY dhc+ is based on the false representation that it is the originator, true owner and first user of the trademark, which was merely copied/derived from Opposer's SWISS ARMY trademark and trade name.

"7. Opposer is the first user of the trademark and trade name SWISS ARMY in the United States of America and other countries worldwide for goods in international class 14 as well as other classes.

"8. Applicant's appropriation and use of the near identical and confusingly similar trademark SWISS ARMY dhc+ infringes upon Opposer's exclusive right to the trademark protected under Section 146 and 165 (2) (a) 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. The trademark SWISS ARMY LTD., and is protected in all member countries pursuant to Section 8 of the Paris Convention and Section 165.2(a) of the IP Code without the obligation of filing or registration whether or not in forms part of a trademark.

"9. The registration of the trademark SWISS ARMY dhc+ in the name of the Applicant is contrary to other provisions of the IP Code.

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

"1. Opposer SWISS ARMY BRAND LTD., is corporation duly organized and existing under the laws of the States of Delaware, United States of America with address at One Research Drive, Shelton, Connecticut, 06484-0874, United States of America. The United States is a party to the Paris Convention, the TRIPS Agreement and international convention to which the Philippines also adheres.

"2. As a national of a member country of the above international conventions, SWISS ARMY BRAND LTD., is entitled to the legal benefits and protections in addition to the rights to which any owner of intellectual property right is otherwise entitled pursuant to Section 3 of the Intellectual Property Code.

"3. Since 1987, SWISS ARMY BRAND LTD has been using the trademark SWISS ARMY not only as the dominant part of its corporate name but also as a trademark for inter alia goods in class 14, specifically watches. The mark SWISS ARMY has in fact been registered with the U.S Trademark and Patent office for these goods since November 24, 1992 based on first use in commerce since June 1987, as evidenced by Registration No. 1,734,665, a certified and legalized copy of which hereto attached and made part hereof as Annex "A".

"4. Since Opposer commenced use of its SWISS ARMY branded watches in 1987, the SWISS ARMY mark has developed through extensive sale into a leading watch brand worldwide. In the Philippines, watches bearing the trademark SWISS ARMY have been sold in the Philippines since at least as early as May 2002.

"5. Opposer has also registered its trademark SWISS ARMY for watches in over 100 countries worldwide, as shown in the list attached hereto and made part hereof as Annex "B". Opposer's SWISS ARMY branded watches have gained strong consumer appeal and acceptance because of their design, precision, and high quality craftsmanship.

"6. Since 1987, Opposer SWISS ARMY BRAND LTD. has also been using its trademark SWISS ARMY as the dominant part of its trade name. Its use of the trade

name is therefore also protected under Article 8 of Paris Convention and Section 165.2 in relation to Section 3 of the IP Code.

“7. Based on the foregoing facts, Opposer SWISS ARMY BRAND LTD.’S trademark and the trade name SWISS ARMY BRAND LTD.’s trademark is a well-known mark and the trade name protected under IP Code and international conventions to which the Philippines and the United States adhere.

“8. Subsequent to Opposer’s use of trademark SWISS ARMY for watches, Applicant appropriated the same mark and added ‘dhc+’ to it, with evident knowledge that Opposer was the first user and owner of the SWISS ARMY trademark for watches. Under Section 155.1 of the IP Code, this attempt to introduce a substantial difference does not negate confusion since Applicant’s mark still retained the word mark SWISS ARMY, which is the dominant feature to Opposer’s trademark and trade name.

“9. In 1996, the Government of Switzerland, Schweizerische Eidgenossenschaft Vertreten durch Department für Verteidigung, Bevölkerungsschutz und Sport, Armasuisse (“The Swiss Confederation”) validated Opposer’s activities by conferring on their parent company SWISS ARMY BRANDS, INC. (referred to herein as “SABI”) a perpetual exclusive right to use SWISS ARMY worldwide, including the right to authorize others to use the mark. This agreement has effect since December 18, 1996 and continues to this day. SABI is the only company authorized by The Swiss Confederation to use the SWISS ARMY trademark and the Swiss Confederation cooperates in the registration process by registering the mark in its own name in jurisdictions as needed. In countries where registrations for SWISS ARMY are held in the name of the Swiss Confederation, SABI is the exclusive licensee authorized to use the mark in said country and take action against infringing uses.

“10. The registration and use of an identical or confusingly similar trademark by the Applicant will tend to deceive and/or confuse purchasers into believing that Applicant’s products emanate from or are under the sponsorship of Opposer and will damage Opposer’s interest for the following reasons:

- (a) Opposer is the prior user since 1987 of the trademark SWISS ARMY for watches and chronometric devices and has prior rights by reason of such prior use under Section 236 of the Code.
- (b) Applicant cannot be considered a prior user in good faith of the SWISS ARMY trademark in the Philippines or elsewhere since it was aware of Opposer’s use of the trademark at the time of its appropriation of the same mark in 1998.
- (c) Applicant cannot have exclusive rights to the trademark SWISS ARMY dhc+ simply by reason of its unauthorized appropriation of Opposer SWISS ARMY BRAND LTD.’s trademark and trade name and addition of the “dhc+” element.
- (d) Applicant’s appropriation and use of Opposer SWISS ARMY BRAND LTD.’s trade name SWISS ARMY is an infringement under Article 8 of the Paris Convention and Section 165.2 of the IP Code and therefore does not lead to lawful trademark ownership.
- (e) In any case, Opposer SWISS ARMY BRAND LTD.’s exclusive right to use SWISS ARMY both as a trade name and as mark is protective right to use SWISS ARMY both as a trade name and as mark is protected under Article 8 of the Paris Convention, which provides:

Article 8

A trade name shall be protected in all the countries of the Union without the obligation of filing a registration whether or not it forms part of a trademark

- (f) Opposer's parent company, SABI and its ultimate parent Victorinox A.G. are exclusively licensed and authorized by the Swiss government to use SWISS ARMY as a trademark and to take actions against infringing uses of the SWISS ARMY designation.
- (g) In this Order in IPC Case No. 14-2002-00062 involving Applicant's opposition to Opposer's mark SWISS ARMY under Application Serial No.84903 filed on March 12, 1993, the BLA Director dismissed Applicant's notice of opposition and gave due course to the application of Opposer for the registration of the mark SWISS ARMY as its rightful owner. A copy of the Order dated September 14, 2005 and the Entry of Judgment dated November 8, 2005 is hereto attached and made part hereof as Annexes "C" to "D".

The Notice to Answer dated 20 October 2006 was served to Respondent-Applicant through their Counsel, Castillo Laman Tan Pantaleon & San Jose Law Offices through IPO on 26 October 2006. For failure of the Applicant to file an answer within the prescribed period, this Bureau in Order No. 2007-553 dated 03 April 2007, declared Respondent-Applicant to have waived his right to file the verified answer and accordingly resolved to submit the case for decision.

Considering that the case was mandatory covered by the Summary Rule under Office Order No.79, This Bureau directed Opposer to file all evidence in original and duplicate copies, and in compliance with said Order, Opposer through Counsel filed its Notice of Opposition on 16 October 2007.

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

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| 1. | Verified and duly authenticated Notice Of Opposition | - | Annex "A" |
| | -U.S Trademark Reg. No. 1,734,665 | - | Exhibit "A" |
| | -List of SWISS ARMY trademark registrations Abroad- | | Exhibit "B" |
| | -BLA issued Order No. 2005-95 | | Exhibit "C" |
| | -Entry of judgment for IPC Case NO. 14-2002-00062 | | Exhibit "D" |
| 2. | Affidavit of Ms. Susanne Rechner | - | Annex "B" |
| | -Schedule of SWISS ARMY application and Registration- | | Exhibit "A" |
| | -Certified copies of registration certificates for the SWISS ARMY mark | | Exhibit "B" |
| | -Copies of Women's Wear Daily Surveys- | | Exhibit "C" |
| | -Catalogs and advertising materials- | | Exhibit "D" |
| | -Sample reports of www.swissarmy.com | | Exhibit "E" |

Issues

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

- (a) Whether or not Respondent-Applicant's trademark SWISS ARMY dch+ and DEVICE is confusingly similar to Opposer's SWISS ARMY trademark such that

Opposer will be damaged by registration of SWISS ARMY dhc+ and DEVICE in the name of Respondent-Applicant; and

- (b) Whether or not Respondent-Applicant's trademark application for SWISS ARMY dhc+ and DEVICE should be granted registration.

From the evidence on record, Opposer is the registered owner in the Philippines of the trademark SWISS ARMY, as follows:

Trademark	Registration Number	Nice Classification
SWISS ARMY	059923 <i>Date of application: September 20, 1990</i>	09
SWISS ARMY	41993081903 <i>Date of application: March 12, 1993</i>	14

Opposer's trademark, SWISS ARMY, was registered with the then Bureau of Patents, Trademarks and Technology Transfer as early as 20 September 1990 for goods under Class 09 as shown by its Certificate of Registration No. 059923.

Opposer has also registered the trademark SWISS ARMY for goods in Classes 9 & 14 (Exhibit B of Annex "B", for the Opposer) in the following countries, among others:

Country	Trademark	Registration Number
Australia	SWISS ARMY Class 14 (watches and clocks)	596793 <i>February 23, 1993</i>
Canada	SWISS ARMY	TMA 383,819 <i>May 03, 1991</i> <i>Declaration of Actual Use: March 07, 1991</i>
Hong Kong	SWISS ARMY Class 14	TMA 1995B07547 <i>March 07, 1991</i>
Japan	SWISS ARMY Classes 9 & 14	2702645 <i>January 31, 1995</i>
The Hashemite Kingdom of JORDAN	ELLE Class 14	33903 <i>April 11, 1993</i>
U.S.A (Exh "A" of Annex "A" for the Opposer	SWISS ARMY Class 14 (Watches)	1,734,665 <i>Nov 24, 1992</i> <i>Date of First Use: June 1987</i>
Singapore	SWISS ARMY Class 14 (Watches)	T92/04758E <i>June 24, 1992</i>
Republic of SOUTH AFRICA	SWISS ARMY Class 14 (Watches)	1990/10019 <i>Nov 14, 1990</i>

Opposer's products using the trademark SWISS ARMY are promoted advertised and sold through Opposer's website www.swissarmy.com, among other channels of trade.

The application 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:

xxx

- (c) *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

A comparison of Opposer’s and Respondent-Applicant’s mark will show that Respondent-Applicant’s SWISS ARMY dhc+ DEVICE is confusingly similar to Opposer’s trademark SWISS ARMY. The mark SWISS ARMY is visually and phonetically similar, in fact obviously identical to the trademark SWISS ARMY used and not abandoned by Opposer. The subject mark applied for, SWISS ARMY dhc+ DEVICE and Opposer’s SWISS ARMY trademark as they appear on the goods of the contending parties readily manifest and glaring similarities. In its overall appearance, the mark SWISS ARMY dhc+ and DEVICE of Respondent-Applicant can easily be mistaken as Opposer’s SWISS ARMY trademark since they are the same in spelling, both containing the words SWISS ARMY which Opposer has been using since March 12, 1993 in the P#hi3li3ppines initially for goods in Class 9 of the international classificat3ion of goods and services. To create some variation which is not significantly3 distinctive, Respondent3-Applicant’s mark bears a device CONSISTING OF A CROSS FIGURE INSIDE A PARALLELOGRAM appearing3 above t3he words SWISS ARMY and written below these words are three small letters, DH & C, WITH A PLUS SIGN, as described by Respondent when the letter was required to give a specific description of the subject mark. This Bureau reproduced Opposer’s as well as Respondent-Applicant’s marks for purposes of comparison:

SWISS ARMY



SWISS ARMY

Opposer’ mark
 For Classes 9 and 14
 Reg. No. 059923
 Reg. No. 419930844903

Respondent’s mark
 for Class 14
 Appl. N. 4-1998-001

It is noteworthy to mention that the device of a CROSS FIGURE INSIDE A PARALLELOGRAM has been Opposer’s composite device in majority of its SWISS ARMY marks especially those that were registered abroad. Below is aside-by-side comparison between Opposer’s SWISS ARMY registered marks obtained abroad with the CROSS FIGURE and respondent-Applicant’s SWISS ARMY mark subject of this instant suit and/or opposition:

Opposer's
SWISS ARMY mark w/ CROSS FIGURE



Respondent-Applicant's
SWISS ARMY mark w/ CROSS FIGURE



Accordingly, other than the letters D, H and C with the plus sign below the words SWISS ARMY, the final outcome and/or general appearance of Respondent's SWISS ARMY mark fell short of the requirement to be distinctive.

The words SWISS ARMY still dominates the whole appearance of Applicant's mark notwithstanding the combination of other letters appearing below the words SWISS ARMY, thus, similarities in the dominant feature of both marks are not lost. It is noteworthy to cite at this juncture the ruling of the Supreme Court in the cases of *Co Tiong Sa v. The Director of Patents* (95 Phil 1 (1954)); *Sapolin Corp. vs. Balmaceda* (67 Phil. 705); and *Forbes Nurma & Co. vs. Ang San To* (40 Phil 272) which applied the dominancy test in determining the existence of confusing similarity between trademarks, that "if there is similarity with the essential or dominant feature of the trademark, despite some differences or variation in detail, there is infringement."

The words SWISS ARMY remains prominent and distinctive feature in the new mark, the addition of letters D, H and C below the words SWISS ARMY printed in the small letters with the plus sign is insignificant as to yield a distinct appearance not only because it is printed in a small letters and is placed right below the world SWISS ARMY but the words themselves, SWISS ARMY standing alone has continued to create confusion between the competing marks.

In the case of *Emerald Garment Mfg. Corp. vs. Court of Appeals*, 251 SCRA 600, the court ruled, thus:

"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 that 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."

Respondent-Applicant's use of the confusingly similar mark SWISS ARMY for goods under Class 14 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 the same or related as to source because these marks are use on the same goods, specifically watches. In the Philippines, Opposer already obtained registration for goods under Class 14 with application dating back to or reckoning from March 12, 1993 and date registration on October 24, 2005. The classes of merchandise covered by registrations obtained by Opposer abroad were generally the same goods as Respondent's. We cannot discount the fact that in the Philippines alone, there is registration for the same goods and these are primarily SWISS ARMY watches. Looking at the list of Registration in other countries like in Japan, USA, Hongkong and Canada, to name a few, Opposer has long ventured in the production of SWISS ARMY watches dating as far back as in the 80s abroad. Respondent-Applicant's SWISS ARMY mark with the CROSS device constitutes

not only the dominant but the entire word mark with device of Opposer in the Philippines including those registered SWISS ARMY marks obtained abroad, thus making Respondent's mark SWISS ARMY indubitably confusingly similar to the trademark SWISS ARMY of Opposer which the letter owns and has not abandoned.

This Bureau quotes the pronouncement of the Court in the case of Sta. Ana vs Maliwat, et al. (G.R. No. L-2302318), which states:

“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 extend to all cases in which the use by a junior appropriator of a trade mark or trade-name is likely to lead to a confusion of source, as where protective purchasers would be misled into thinking that the complaining party has extended his business into field or is in any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business.”

Having shown and proven resemblance of the two marks at issue, we now delve on the matter of priority in use and/or registration which certainly has decisive effect in the adjudication of the case. From the evidence on record, Opposer established prior use of the trademark SWISS ARMY in commerce when it applied for registration of these marks in the early 90s. Opposer has prior registration for SWISS ARMY mark for goods in Class 9 and 14. As held in the case on Unno Commercial Enterprises, Inc. vs General Milling Corporation *“Prior use by one will controvert a claim of legal appropriation by subsequent users.”* Hence, it may be concluded inevitably that Respondent-Applicant's use of identical mark on the same or related goods will result in an unlawful appropriation of mark previously used by Opposer and not abandoned.

The right to register Trademarks, trade names and services 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)

Note should be taken as well of the fact that Respondent-Applicant was validly served with summons, and was afforded the opportunity to refute the claim of and/or controvert the allegation of prior use by Opposer of the subject trademark if he filed an Answer but Respondent defaulted. Obviously, therefore, pursuant to Office Order No. 79 and the Rules under the old Trademark law, the case shall be decided on the basis of the evidence thus presented. The Opposer having shown its entitlement to the mark in question, i.e., that it was the first adopter and user of the questioned mark on watches and other similar goods Class 14, Respondent-Applicant's application for the same or substantially the same trademark should therefore be rejected.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-1998-001193 filed by DH & CO. S.A. on February 20, 1998 for the registration of the mark “SWISS ARMY dhc+ and DEVICE” used on goods under Class 14 particularly clocks and watches is, as it is hereby, REJECTED.

Let the filewrapper of SWISS ARMY N dhc+ and DEVICE, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademark for appropriate action.

SO ORDERED

14 June 2007, Makati City.

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