

SYNGENTA LIMITED
Opposer,
- versus -

IPC 14-2005-00092

Opposition to:
TM Application No. 4-2003-011620
(Filing Date: 17 December 2003)

MONARCH AGRICULTURAL
PRODUCTS, INC.
Respondent-Applicant.
x-----x

TM: "KARATEKA Label"

Decision No. 2006 – 129

DECISION

This pertains to an Opposition filed on 09 September 2005 by herein opposer, SYGENTA LIMITED, a corporation duly organized and existing under and by virtue of the laws of Switzerland, with address at Sygenta Crop Protection AG, Intellectual Property & Licensing, Scharzwaldallee 215, CH-4058 Basel, Switzerland, against the application for registration of the trademark "KARATEKA Label" bearing Application Serial No. 4-2003-011620 filed on 17 December 2003 for goods falling under Class 3 of the Nice Classification of Goods, for chemical additives to pesticides, by MONARCH AGRICULTUREAL PRODUCTS, INC., respondent-applicant, likewise a domestic corporation with registered address at 128 J.L Escoda Street, Navotas, Metro Manila.

The subject trademark application was published for opposition in Vol. VII, Issue No. 3 of the Intellectual Property Office Official Gazette which was officially released for circulation on 11 July 2005.

Accordingly, grounds for opposition are as follows:

"1. The trademark KARATEKA Label being applied for by respondent-applicant is confusingly similar to opposer's trademark KARATE, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"2 The registration of a trademark KARETERA Label in the name of Respondent-Applicant will violate Section 123.1, subparagraph (d) of Republic Act No.8293, otherwise known as the Intellectual Property Code of the Philippines and Section 6bis and other Provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and Switzerland are parties.

"3. The registration and use by respondent-applicant of the trademark KARATEKA Label will diminish the distinctiveness and dilute the goodwill of opposer's trademark KARATE.

"4. The registration of the trademark KARATEKA Label in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines."

In support of the above opposition, Opposer relied on the following facts and circumstances, to wit:

"1. Opposer is the owner of and/or registrant of and/or applicant in many trademark registrations of the trademark KARATE around the world under International Class 5, more particularly for "Insecticides".

"2. In the Philippines, Opposer is the registrant/owner of the trademark KARATE, with Certificate of Registration No. 46813, issued on 03 November 1989. Opposer encloses herewith a copy of Certificate of Registration No. 46813 as Annex "A" and made integral part hereof.

"3. Opposer is the owner of the trademark KARATE since 1996 when Imperial Chemical Industries PLC assigned the trademark KARATE to Zeneca Limited. The assignment was duly recorded in the Book of Assignments of the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) on April 3, 1995. We enclose herewith a copy of the Deed of assignment and the Notice of Recordal as Annexes "B" and "B-1" respectively, and made integral parts hereof.

"4. Thereafter, Zeneca Limited changed its name to Syngenta Limited, opposer herein, on November 21, 2000, which change of name was duly recorded in Book of Records of the Intellectual Property Office on October 10, 2001. We enclose herewith a copy of the Certificate showing the change of name from Zeneca Limited to Syngenta Limited with the Notice of Recordal thereof as Annexes "C" to "C-1" respectively, and made integral pars hereof.

"5. By virtue of opposer's registration of the trademark KARATE in the Philippines and its prior application and/or registration and ownership of this trademark around the world, said trademark has therefore become distinctive of opposer's goods and business.

"6. The registration and use of the trademark KARATE Label by respondent-applicant will deceive or confuse purchasers into believing that respondent-applicant's goods and/or products bearing the trademark KARATE Label emanate from or are under the sponsorship of opposer Syngenta Limited, owner/registrant of the trademark KARATE. Respondent-applicant obviously intends to trade and is trading on opposer's goodwill.

"7. Likewise, there is also no doubt that an ordinary and/or casual purchaser buying under normal prevalent conditions in trade is not expected to exercise a careful scrutiny between two (2) products bearing confusingly similar trademarks as in opposer's trademark KARATE vis-à-vis respondent-applicant's trademark KARATEKA Label and will most likely be confused and deceived to buy one product for the other.

"8. The registration and use of the trademark KARATEKA Label by respondent-applicant will therefore diminish the distinctiveness and dilute the goodwill of opposer's trademark KARATE.

"9. It is evident that the trademark KARATEKA Label by respondent-applicant was not made in good faith but rather, there is apparently an intent by respondent-applicant to "ride on" the goodwill established and "pass off" respondent-applicant's goods as those of opposer.

"10. The allowance of Application Serial No. 4-2003-011620 in the name of respondent-applicant will be violative of the treaty obligations of the Philippine under the Paris Convention for the Protection of Industrial Property, to which the Philippines and Switzerland are member states.

In its Answer dated 03 March 2006, respondent-applicant set forth following defenses, to wit:

"1. The opposer miserably failed to present and substantiate the grounds to defeat the instant application of respondent-applicant's trademark KARATEKA Label such that the opposition has become a mere litany of speculations, innuendoes and baseless conclusions to fact.

"2. The KARATEKA Label trademark applied for is not confusingly similar to opposer's trademark KARATE as to be likely to cause confusion, mistake and deception on the part of the purchasing public.

"3. Opposer has not shown how trademark KARATE of opposer has become distinctive of its goods and business.

"4. Opposer has not convincingly explained how the public will be deceived into thinking that trademark KARATEKA Label emanates from or are under the sponsorship of the opposer.

"5. Opposer has not given sufficient ground to suspect that respondent-applicant merely wanted to "ride on" the goodwill allegedly established by the former and "pass off" the goods of respondent-applicant as those of opposer.

"6. The KARATEKA Label trademark applied for the respondent-applicant is distinctively different from the KARATE trademark of opposer considering that an ordinary purchaser can easily distinguish from the other.

"7. In determining whether the trademarks are confusingly similar, a comparison of the words is not the only determining factor. The trademarks in their entirety as they appear in their respective labels or hang tags must also 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 works but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other." (Fruit of the Loom Inc. vs. Court of Appeals and General Garments Corp. 133 SCRA 405)

To this end, consideration must be given to such factors as sound, appearance, from, style, pronunciation of works and the setting in which the record appears must be considered. (Etepha vs. Director of Patents, 16 SCRA 4950)

"8. As has been manifested by respondent-applicant in its letter dated 13 December 2004 to the Honorable Office, the specific and full description of the label mark consisted of the words "KARATEKA" upper case, in red color and in ordinary bold letters found above the words "Insecticide for cocoa, corn, cotton, mango, mungbean, onion, rice, tomato, watermelon, and the Representation of a lady martial art expert performing the art in uniform presented at the lower left portion of the word "KARATEKA" also in color red and white, and the words Lambdacyhalothrin ...2.5g/l; Aromatic solvent ... 876g/l, Emulsifier ... 100g/l; FPA Registration No. 096-204-1395; Date Formulated _____; Lot/Batch No. _____; found at the bottom of the label mark.

"9. The only similarity between KARATEKA Label of Respondent-applicant and KARATE of Opposer is the word Karate alone. Taking the marks in their entirety, the trademark being applied for KARATEKA Label consists of a label mark that includes not only the word KARATEKA but also the representation of the lady martial artist in uniform which is not found in the KARATE of opposer. The representation of a lady martial artist expert in the application is a fictitious individual taken not to identify any particular person living or dead nor falsely suggest a connection identifying a particular person. It is being used to strengthen the distinctive character of the trademark when applied to the goods of respondent-applicant.

"10. KARATEKA is composed of eight (8) letters combination while KARATE of opposer has only six (6) letters. KARATE has three (3) syllables while KARATEKA Label has four (4) syllables and a label mark. The registered mark of KARATE contains no

color Confusion as to the source of the goods mistakenly feared by the opposer is highly improbable and remote.

“11. The ruling in the Supreme Court case of America Cyanamid Company vs. Director of Patents, et al., 76 SCRA 568 is clearly instructive and applicable in this case:

“The problem therefore to be resolved is whether or not petitioner correctly claims that respondent’s trademark SULMETINE was copied from the trademark SULMET giving rise to a confusing similarity between the two in violation of RA 166 otherwise known as the Trademark Law.

We find petitioner’s submittal devoid of merit and hold that there is no infringement of trademark which justify a cancellation of respondent’s registered trademark SULMETINE.

An examination of the documentary evidence submitted by the parties confirms the findings of the Director of Patents that there are striking differences between the two labels, Exhibit B and C, which preclude the possibility of the purchasing public confusing one product with the other. Said labels are entirely different in size, background, colors, contents and pictorial arrangements; in short, the general appearances of the labels bearing the respective trademarks are so distinct from each other that petitioner cannot assert that the dominant features, of any, of its trademark were used or appropriated in respondent’s own.

Thus –

(a) The coloring scheme: Petitioner’s SULMET labels, Exhibit B, has a white background with the word SULMET printed in dark green, while respondent’s SULMETINE label, Exhibit C, is dark yellow in color and the word SULMETINE is printed in dark blue, In fact, exhibit B carries mainly two color – white and green, while Exhibit C uses yellow, blue and red.

(b) The pictorial representation – respondent’s label, Exhibit C, presents at its top the pictures of two rooster and in between is the word HENRY’S printed in an egg-shape enclosure, while petitioner’s label carries no such pictorial representation nor even one similar to it , for what appears on the top of its label is the word “CYNAMID” printed in bold and widely spaced green letters.

(c) The printed letter on the label; A very important point of difference between the labels of the parties is found in the contents of the printed matter. x x x

(d) The clear indication of the source: Petitioner’s label clearly indicates that the product SULMET is of foreign origin. Not only is the word “CYNAMID” printed in big widely-spaced letters at the top of the label but at the bottom thereof the words “AMERICAN CYNAMID COMPANY, NEW YORK, 20, N.Y.” are printed in white capital letters against a dark green background. In respondent’s SULMETINE label, Exhibit C, the name “HENRY’S in turn is printed clearly above the word SULMETINE and at the bottom of the label the phrase “HENRY’S LABORATORIES PHILIPPINES is printed in white letters against a dark blue background making it distinctively visible.

Thus, looking at the labels exhibits B and C it is quite apparent that the source of the product is predominantly indicated thereby discounting petitioner's assertion that the SULMETINE trademark is plain copy of its own intent to pass respondent's article as coming from the same source as that of petitioner's medicinal preparation."

On 01 September 2005, the Intellectual Property Office has promulgated Office Order No. 79, series of 2005 (amendments to the Regulation of Inter Partes Proceedings), prescribing the summary rules of the old rule on trial-type proceeding. After selecting the former rule, they were directed to file their respective evidence and supporting documents in accordance said rules.

Opposer filed its compliance on 14 November 2006 and moved for an extension to complete its evidence. In Order No. 2006-45, dated 06 January 2006 this Office denied the Urgent Second Motion for Extension of Time to Complete Evidence with clarification that Opposer was already given a non-extendible period of sixty (60) days to complete its evidences. Respondent-applicant on the other hand filed a Manifestation and Motion dated 03 April 2006 praying that the documents listed and marked as Exhibit "E" to "P" attached by the Opposer in its Reply, be expunged from the records. After due consideration of the same and the Comment and Opposition by the Opposer, this Office in Order No. 2006-960, dated 05 July 2006, admitted the additional documents. The documents and articles, in support of the opposition, are listed hereunder as follows:

| Exhibit | Description |
|-------------------|---|
| "A" | Special Power of Attorney |
| "A-1" | Legalization of the Special Power of Attorney |
| "A-2" | Certificate of Authentication |
| "B" | Certificate of Registration No. 46813 |
| "C" | Deed of Assignment of the Mark |
| "C-1" | Notice of Record of the Deed of Assignment of the Mark |
| "D" | Certificate of Change Name |
| "D-1" | Notice of Recordal of Certificate of Change Name |
| "E" | Authentication issued by the Philippine Consulate, Berne, Switzerland |
| "E-1" to "E-6" | Affidavit Testimony of Mike Dammann dated January 3, 2006 |
| "E-6-a" | Signature of Mike Dammann |
| "E-6-b" | Notarization of the Affidavit-Testimony |
| "E-6 -c" | Notary Public's Certification from Secretary, State of Texas |

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| “F” | Certification of Incorporation of Sygenta Limited |
| “G” to “G-12” | Labels and brochures of KARATE mark in the Philippine |
| “H” to “H-5” | Sales invoices of products with KARATE mark in the Philippines |
| “I” | Philippine Certificate of Registration No. 46813 |
| “J” | Deed of Assignment of the mark KARATE dated 06 June 1994 |
| “J-1” | Notice of Recordal of deed of Assignment, 04 April 1995 |
| “K” to “K-1” | Certification of the recordal with IPP Re: Change of name and address |
| “L” to “L-10” | List of countries with existing KARATE Trademark Registration |
| “M” to “M-1” | Copy of Certificate of Registration of KARAE in Taiwan |
| “M-2” to “M-8” | Copy of Certificate of Registration of KARAE in Vietnam |
| “M-9” to “M-10” | Copy of Certificate of Registration of KARAE in European Community |
| “N” to “N-2” | Copy of Certificate of Registration of KARAE in Switzerland |
| “O” to “O-80” | Brochures, products information booklet other advertisements |
| “P” | Label of the mark KARATE with words “insecticide for rice, mango, tomato, onion, mungbean, corn, tobacco, cotton, tobacco, cotton, cocoa and watermelon |

Respondent-Applicant filed its Compliance with Position Paper setting forth its arguments and discussion on the admissibility of the opposition and the substances, invoking Republic Act No. 8293 or the Intellectual Property Code. The following documents were admitted as evidence, to wit:

| Exhibit | Description |
|---------|-------------------------------|
| “1” | Karate Label |
| “2” | Application |
| “3” | Letter dated 13 December 2004 |
| “4” | Secretary’s Certificate |

Thereafter, this case was set for preliminary conference. Falling to reach settlement, parties were directed to submit position papers. Hence, this case is submitted for resolution of the issue, to wit:

WHETHER OR NOT RESPONDENT-APPLICANT'S MARK "KARATEKA" IS CONFUSINGLY SIMILAR TO OPPOSER'S REGISTERED TRADEMARK "KARATE".

This Office finds confusing similarity between the contending marks.

The trademark application subject of opposition was filed on 06 August 2002 or during the effectivity of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines. Thus, the applicable provision of law in resolving the issue involved is Sec. 123.1 (d) of R.A. 8293, which provides:

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

xxx

(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;
(Emphasis Ours)

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The determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. It does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand of it.

The existence of confusion of trademark or the possibility of deception to the public hinges on "colorable imitation". In the case of Emerald Garment Mfg. Corp. vs. Court of Appeals (251 SCRA 600) 1995, colorable imitation has been defined as such similarity in form, content, word, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.

Relative thereto, jurisprudence provides of two tests to determine confusion between trademarks, i.e., Dominancy Test and Holistic Test. The Supreme Court has relied to the Dominancy Test or the assessment of the essential or dominant features in the competing trademarks. In the old case of Co Tiaong Sa vs. Director of Patents (95 Phil.1), the Supreme Court held that:

Xxx He retains in his mind the dominant characteristics or features or central idea in the label, and does not retain or forgets the attendant decorations, flourishes, or variations. The ordinary customer does not scrutinize the details of the label; he forgets overlooks these, but retains a general impression, or a central figure, or dominant characteristic. The reason of this has been explained in the following manner:

The average usually seeks a sign, some special, easily remembered earmarks of the brand he has in mind. It may be color, sound, design, or peculiar shape or name. Once his eyes see that or his ears hear it, he is satisfied. An unfair competition need not copy the entire mark to accomplish his fraudulent purpose. It is enough if he takes the one feature which the average buyer is likely to remember. (Nims, the Law of Unfair Competition and Trademark, 4th ed., Vol. 2, pp. 678-679)

Applying the Dominancy Test to the case at bar, it appears that the word Karate is a dominant word in opposer's trademark. The only difference between the two marks is that respondent-applicant's mark has an additional two letters "ka" after Karate. Respondent-applicant cites the case of *Fruit of Loom vs. Court of Appeals* (133 SCRA 405,411), wherein the Supreme Court finds no confusion in the trademark in question, "Fruit of Eve" with the trademark "Fruit of Loom".

This case is not applicable to the instant case since the replacement of the word Loom with the Eve clearly generates difference between the two trademarks. The word "Eve" has reference to the name of a woman and could be related to the character in the story of creation found in the book of Genesis of the Holy Bible. On the other hand, a "loom" is frame or machine for waiving. The words "Eve" and "Loom" provide distinct ideas in the minds of the customers. The same could not be said of the current case since the word "ka" is meaningless. Even worse, when the word Karateka is read, the idea that is formed in the art of Karate. Therefore, the trademark of the respondent-applicant could be confusingly similar with the trademark of respondent.

Respondent-applicant likewise mentioned the case of *American Cynamid Company vs. Director of Patents et al.*, (76 SCRA 568) wherein it was held that Sulmet was not confusingly similar to Sulmetine. The argument set therein would be acceptable if not for the fact that (1) because of the similarity in spelling, both marks would sound alike when pronounce, the trademark of opposer would be pronounce as ka- ra-te while that of respondent-applicant as ka- ra-te-ka; (2) visual inspection of the two marks would concede that there are no substantial distinction between them since, opposer's KARATE is printed in color red orange against while the background while respondent-applicant's KARATEKA is printed in color red with a similar background; (3) the printed matters on the two marks contain the same description, "insecticide for rice, mango, tomato, onion, mungbean, corn, tobacco, cotton, cocoa and watermelon", but only in a different order; and, (4) the word "lambdacyhalothrin" under the word "Composition and the manner in which the same is described is also identical both labels. Thus, respondent-applicant reliance on the above cited decision is also untenable.

Moreover, the goods covered by the competing trademarks are similar. The Opposer's goods fall under Class 5, i.e., insecticides while that respondent applicant fall under Class 1 of the Nice Classification of the Goods consisting of chemical additives to insecticides. They serve the same purpose and flow through the same channel of trade, hence, they are competing and can be considered as RELAYED or SIMILAR GOODS.

In the cases *ESSO Standard Eastern Inc., Court of Appeals, et al.*, 201 Phil. 803; *Court of Acoje Mining Co., Inc., vs. Director of Patents; Philippine Refining Co., Inc. vs. Ng Sam and Director of Patents; Hickok Manufacturing Co., Inc., vs. Court of Appeals; and Canon Kabushiki Kaisha vs. Court of Appeals and NSR Rubber Corporation*, the products therein are different in nature and fall under different Product classifications. It clarified that emphasis should be on the similarity of product involved and not on the arbitrary classification or general description for their properties or characteristics.

Thus, applying the foregoing tenets and taking into account the factual circumstances of this case that both products deal with insecticides for the same kind of crops, confusingly similarity would likely arise between contending trademarks.

Opposer further claims entitlement for protection of its registered trademark under the Convention of Paris for the protection of Industrial Property, specifically Art.6 bis. In support of its claim of KARATE as well-known mark, Opposer stated that it has worldwide trademark registration. Likewise it submitted in evidence its worldwide registration where the trademark KARATE is registered to prove the worldwide notoriety of the mark, entitling said mark the protection under Art.6bis of the Paris Convention as well-known mark.

This Office however is not convinced that mere worldwide registration will automatically vest a mark of a well-known status. Opposer failed to submit sufficient proof to prove that the mark enjoys the reputation of being well-known not only International but also in the Philippines.

This twin requirement of International and domestic fame to enjoy the protection available to well-known marks is now enshrined in Sec.1233(e) of RA 8293, the very same provisions invoked by the Opposer to claim its entitlement for protection of its registered mark .

IN VIEW of all the foregoing, the instant opposition is as, it is hereby **SUSTAINED**. Accordingly, application bearing Serial No.4-2003-0016620 for the mark KARATEKA filed in the name of MONARCH AGRICULTURAL PRODUCTS, INC. on 17 December 2003 is hereby **REJECTED**.

Let the file wrapper of KARATEKA, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 20 November 2006.

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