

T.C. PHARMACEUTICAL INDUSTRIES
CO., LTD.,

Opposer-Appellant

-versus-

OSBORNE Y COMPANIA S.A.,

Respondent-Appellee.

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Appeal No. 14-07-21

Inter Partes Case No. 14-2006-00029

Opposition to:

Application No. 4-2004-000338

Date Filed: 14 January 2004

Trademark: TORO

DECISION

T. C. PHARMACEUTICAL INDUSTRIES CO., LTD. ("Appellant") appeals Decision No. 2006-113, dated 17 October 2006, and Resolution No. 2007-08 (D), dated 12 March 2007, of the Director of the Bureau of Legal Affairs ("Director"), on the Appellant's opposition to the application for the registration of the mark "TORO" filed by OSBORNE COMPANIA S. A. ("Appellee").

Records show that on 14 January 2004, the Appellee filed its trademark application covering goods falling under several classes namely: Classes 25, 29, 30, 32, 33, 35, 38 and 42 of the Nice Classification.¹ The application was published in the "Intellectual Property Office Electronic Gazette" on 06 December 2005. On 06 March 2006, the Appellant filed its opposition, alleging the following:

1. It is the owner of the marks "RED BULL" and "DOUBLE BULL DEVICE" having used, registered and popularized the same in various countries;²
2. Its marks were registered in the Philippines, on 14 and 29 March 1995, respectively,³ for use on beer, mineral and aerated waters and other non-alcoholic drinks, fruit juices, syrups and other preparations for making beverages under Class 32;
3. It has been using these marks for 13 years now, earlier than the Appellee which filed its trademark application only on 14 January 2004, and that these marks have already acquired distinction through the Appellant's widespread and extensive use in most parts of the world;
4. It has developed goodwill and superior quality image or reputation for its marks through extensive promotion, worldwide registrations and long use characterized by high standards;
5. Its marks have satisfied the criteria set by the Trademark Regulations to be considered well-known marks that are entitled to protection under Sec. 123 (e) and (f) of Rep. Act No. 8293 ("IP Code");
6. The Appellee's mark TORO which means "BULL" and the Appellant's marks are confusingly similar, hence, will cause confusion among their prospective market and that their goods are the same or related, sold in the same channels and belonging to the same Class 32;
7. Considering the above circumstances, registration of the Appellee's mark is proscribed by Sec. 123.1 (d) of the IP Code;
8. If allowed, the Appellee's use of the mark TORO will indicate a connection between the Appellant's goods and those of the Appellee's and will likely mislead the buying public

into believing that the goods of the Appellee are produced or originated from, or are under the Appellant's sponsorship, to the detriment and damage of its interests, considering that the goods are the same or related;

9. The Appellee's adoption of TORO was clearly done with the illegal intent of riding on the popularity and goodwill of the Appellant's quality-built reputation and will cause great and irreparable damage and injury to the Appellant; and
10. The Appellee is clearly in bad faith in so using and adopting TORO.

On 30 March 2006, the Appellee filed an "ANSWER". The Director, however, ruled that the ANSWER is deemed not considered filed for lack of proper verification.⁴

The Appellant's evidence consists of the following:

1. Joint affidavit of Ms. Pavana Langthara and Mr. Saravoot Yoodvidya;⁵
2. Copies of certificates of registration issued in several countries for the mark DOUBLE BULL DEVICE and RED BULL;⁶
3. Copies of invoices;⁷ and
4. A copy of a magazine and copies of promotional leaflets.⁸

Although the Director did not admit the Appellee's ANSWER and the documents attached thereto, she cited in her decision that the Appellee submitted a photocopy of the affidavit of Sergio Portela subscribed and sworn before the Philippine Embassy in Madrid, Spain.⁹

In deciding the case, the Director held that TORO connotes similar meaning as that of DOUBLE BULL DEVICE and RED BULL. According to her, confusion is likely with respect to goods under Class 32 as the buyers would mistake the Appellee's products as a Spanish or Filipino version of the Appellant's products. She ruled, however, that as regards goods belonging to Classes 25, 29, 30, 33, 35, 38 and 42, the Appellant failed to adduce evidence to show that it is using its marks on these classes of goods.

Subsequently, the Appellee filed on 15 November 2006, a "MOTION FOR RECONSIDERATION" seeking partial reconsideration of the decision of the Director. The Appellant, on the other hand, filed on 29 November 2006 an "OPPOSER'S MOTION FOR PARTIAL RECONSIDERATION AND OPPOSITION TO RESPONDENT-APPLICANT'S MOTION FOR RECONSIDERATION". The Director denied both motions.

On 10 April 2007, the Appellant filed the instant appeal. It asserts that RED BULL is a well-known mark which is entitled to protection against confusingly similar marks even if used on different goods. According to the Appellant, the allowance of the Appellee's trademark application will unduly forestall the natural and logical expansion of its business. It maintains that there is likelihood of confusion either as to the Appellant's and Appellee's goods themselves or as to their origin

The Appellee filed its comment to the appeal on 14 June 2007. It alleges that there is no confusing similarity between the competing marks. According to the Appellee, the word "TORO" is a Spanish term while the Appellant's marks are in English language. It claims that there can be no confusion as to the goods and the origin of the products since its products are no ordinary ones and their buyers belong to the erudite and discriminating ones. The Appellee also claims that it is a very old and famous Spanish company, which deals with products under Classes 32 and 33 under the mark TORO and "BULL DEVICE" which are well-known in Spain, Latin America and other countries.

The issues to be resolved in this appeal are:

1. Whether RED BULL is a well-known mark, and
2. Whether the Appellee is entitled to register the mark TORO for goods under Classes 25, 29, 30, 32, 33, 35, 38 and 42.

On the first issue, the Paris Convention for the Protection of Industrial Property ("Paris Convention") to which the Philippines is a signatory¹⁰ expressly provides the protection of a well-known mark from translation that will create confusion. Art. 6bis of the Paris Convention provides in part that:

Article 6bis
[Marks: Well-Known Marks)

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

On the other hand, Art. 16 of the TRIPS Agreement provides in part that:

Article 16
Rights Conferred

1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use."
2. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark. x x x

Thus, Sec. 123.1 (3) and (f) of the IP Code states that a mark cannot be registered if it:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided* further, That the interests of the owner of the registered mark are likely to be damaged by such use;

Corollary to the above-quoted provision of law, Rule 102 of the Trademark Regulations sets forth the following criteria in determining whether a mark is well-known:

RULE 102. Criteria for determining whether a mark is well-known. — In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies-
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,
- (l) The presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

A scrutiny of the records shows that the Appellant submitted substantial evidence to prove the international reputation of its goods under Class 32 bearing the marks DOUBLE BULL DEVICE and RED BULL, particularly, its energy-drink products. It presented evidence of the registration of its marks not only here in the Philippines but also in other countries such as Thailand, Hong Kong, Indonesia, Singapore, China, Cambodia, Myanmar, Vietnam, Taiwan, Korea, Australia, Brunei, Malaysia and Laos. It also submitted copies of promotional materials and leaflets used in Australia, the United States of America, and the countries in Europe and Asia like the United Kingdom and India, respectively. It also claims that, in Thailand alone, it has spent more than \$28 Million on advertisement and promotion for the years, 2003 and 2004 and presented sales invoices from this country.¹¹

Apropos is the case of *Sehwani, Incorporated vs. IN-N-OUT Burger, Inc.*¹² wherein the Supreme Court concurred with the findings and conclusions of the Bureau of Legal Affairs that the mark "IN-N-OUT" was an internationally well-known mark. The Director based her findings on the evidence presented by the complainant consisting of worldwide registration of the mark, almost all of which were issued earlier than the respondent's date of filing of its application. Considered together with the evidence of advertisements of such mark by the complainant, "IN-N-OUT" was found to be an internationally well-known mark pursuant to paragraphs (a) and (d) of Rule 102 of the Trademark Regulations.

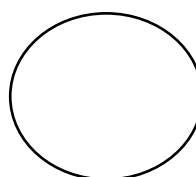
Accordingly, considering that at least a combination of any of the criteria set forth under the Trademark Regulations were met, RED BULL is deemed a well-known mark.

Thus, with respect to the second issue, the Appellee's trademark application shall be evaluated on the basis of paragraphs (e) and (f) of Sec. 123.1 of the IP Code. Under these provisions, a mark cannot be registered if it is identical with, or confusingly similar to, or constitutes a translation of a mark, which is considered to be well-known. The proscription applies if the applicant's goods or services are identical or similar with those covered by the well-known mark, regardless whether the well-known mark is registered here in the Philippines. The prohibition also applies even if the goods or services are not similar provided that the well-known mark is registered in the Philippines and that the use of the mark applied for registration in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered well-known mark and that the interests of the owner of the well-known registered mark are likely to be damaged by such use.

The Appellant's and Appellees trademarks are reproduced below for comparison.

Appellant's mark

Red Bull



Appellee's mark

TORO

Obviously, the marks are neither identical nor similar. However, the words and the pictorial representations connote the same idea or concept, which is the male cow or cattle. "Toro" is the Spanish word or term for "bull". Significantly, paragraphs (e) and (f) of Sec. 123.1 of the IP Code mention not only identical or confusingly similar mark, but also a mark which constitutes a translation of well-known mark.

Thus, the translation or meaning of the word mark also provides a basis for claiming that it is or is not confusingly similar to another mark. Especially, in a country like the Philippines which has a rich multilingual history, the remnants of which are evident in the vernacular language, in making the necessary comparison between marks in different languages, regard must be accorded to the concept or idea conveyed by a mark. In one case in the United States, it was held that closeness in meaning can itself substantiate a claim of similarity of trademarks.¹³ Our own Supreme Court held in *The George W. Luft Company, Inc. vs. Ngo Guan and Director of Patents*¹⁴ that:

Moreover, the word "Tango" has a well established meaning, for it describes a particular dance that is well known in the Philippines. In fact, respondent's label includes the picture of a man and a woman dancing.

But are the goods of the parties identical or similar?

Records show that the Appellant has trademark registrations for goods under Class 32. Thus, this Office concurs with the assessment of the Director, to wit:

A comparison of the competing marks would show that Respondent-Applicant's mark consist of the word "TORO" which although not similar to Opposer's marks "DOUBLE BULL DEVICE" and "RED BULL", it connotes and conveys the same meaning. It must be borne in mind that confusing similarity is also determined by the resemblance of the meaning of the letters, words and design composing the mark. In this case,

Respondent-Applicant's mark TORO is a Spanish/Tagalog term for "bull" depicted in Opposer's mark. Since Respondent-

Applicant's mark connotes similar meaning as that of Opposer's "DOUBLE BULL DEVICE" and "RED BULL", by their similarity in meaning, confusion is likely to arise as the unwary or credulous buyers would mistake the Respondent-Applicant's products as a Spanish or Filipino version of Opposer's marks considering that the goods in which the parties deal are the same, i.e., goods belonging to Class 32 which are also distributed through the same channels of distribution as that of Opposer.¹⁵

The Appellee, however, also applied for the registration of the mark for goods other than those under Class 32. Section 123.1(f) of the IP Code states that the mark will not be registered for goods which are not similar if it would indicate a connection between those goods, and the owner of the registered well-known mark and that the interests of the owner of the well-known registered mark are likely to be damaged by such use.

In this regard, a junior user of a well-known mark on goods or services which are not similar or are unrelated to the goods or services specified in the certificate of registration of the well-known mark is precluded from using the same on entirely unrelated goods or services, subject to the following requisites:

1. the mark is well-known internationally and in the Philippines, as provided under Rule 102 of the Trademark Regulations;
2. the use of the well-known mark on the entirely unrelated goods or services would indicate a connection between such unrelated goods or services and those goods or services specified in the certificate of registration in the well-known mark; this requirement refers to the likelihood of confusion or origin or business or some business connection or relationship between the registrant and the user of the mark; and
3. The interests of the owner of the well-known mark are likely to be damaged. For instance, if the registrant will be precluded from expanding its business to those unrelated good, or services, or if the interests of the registrant of the well-known mark will be damaged because of the inferior quality of the goods or services of the user.¹⁶

As discussed above, the mark at issue is considered an internationally well-known mark pursuant to the criteria set out in Rule 102 of the Trademark Regulations. Hence, the first requisite is present.

As to the second requisite of indicating a connection between the unrelated goods and the goods and services of the registered trademark owner, this Office opines that unlike where confusion exists because of the resemblance or similarity in the visual and aural components of competing marks, associating one mark with another through the translation or the meaning of the words or phrases or device comprising the marks, requires a higher level of mental exercise. Illiterates and those who do not speak Spanish or English, or at least understand those words, would not be able to tell that BULL and TORO may have meant the same thing, idea or concept.

People who see the mark TORO on a label or package of a product would not think of the Appellant's mark or connect it with the Appellant unless the goods on which the mark TORO is used are the same goods for which the RED BULL or BULL marks are already identified with. The likelihood of association is remote with respect to goods which the Appellant does not deal in or to goods which do not bear the RED BULL and BULL marks. Consequently, since no connection is likely to be made by the ordinary purchaser between the Appellant's goods under Class 32 and that of the Appellee under the other classes, there is likewise no likelihood that the interests of the Appellant would be damaged so as to preclude it from expanding its business to those unrelated goods.

The Appellant's claim that it has expanded the use of RED BULL for coffee products in the Philippines is not entirely accurate. As admitted by the Appellant, the mark it is using for its coffee products is "RED BULL BARAKO" and not RED BULL.¹⁷ Moreover, this evidence on the Appellant's use of RED BULL on coffee products were only submitted when the Appellant filed its Motion for Partial Reconsideration of Decision No. 2006-113 and is, therefore, not part of the evidence for the Appellant.

Nonetheless, even if we assume that the Appellant has indeed expanded in the business of coffee products, the protection given to RED BULL are against marks which are identical or confusingly similar or which constitutes a translation thereof. As discussed above, TORO is not identical or similar to RED BULL for goods other than those under Class 32, much more with RED BULL BARAKO. Neither would TORO be considered a translation of RED BULL BARAKO. Significantly, there is nothing in the records which would indicate the connection of TORO with RED BUTT, or RED BULL BARAKO on coffee products that fall under Class 30. What has only been identified and proven is the possible connection between the competing marks with respect to goods falling under Class 32. Furthermore, the Appellant's exclusive right to use RED BULL is limited only in connection with the goods or services and those that are related thereto specified in the certificate of registration.¹⁸

Aptly, this Office finds the Director correct in her conclusion that the competing marks are confusingly similar for goods under Class 32 but not for the others. Without the likelihood of confusion with goods belonging to classes other than Class 32, there can be no damage to the interests of the Appellant.

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision as well as the records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

16 September 2010, Makati City

RICARDO R. BLANCAFLOR
Director General

FOOTNOTES:

1 The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957. Trademark Application Serial No. 4-2004-000338 for use on the following:

Class 25: Clothing, namely boys and men's pants, jackets, woven t-shirts, sweaters, rainwears, shirts, and ladies woven blouses, skirts, pants, shorts, cardigans, blazers, jackets, sweaters, rainwears, jumpers, underwears and lingerie, footwear, namely, boots, shoes and slippers, headgear.

Class 29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, eggs, milk and other dairy products-, edible oils and fats; preserves, pickles.

Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour, and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery, ices-, honey, treacle-, yeast, baking powder-, salt, mustard; pepper, vinegar, sauces; spices; ice.

Class 32: Beer, ale and porter; mineral and aerated waters and other non-alcoholic drinks; syrups and other preparations for making beverages.

Class 33: Wines, spirits and liquors.

Class 35: Manufacturing, advertising and business.

Class 38: Communications.

Class 42: Services provided by the chemists, physicist, engineers, computer specialists, lawyers.

2 Thailand, Philippines, Hong Kong, Indonesia, Singapore, China, Cambodia, Myanmar, Vietnam, Taiwan, Korea, Australia, Brunei, Malaysia and Laos.

3 Cert. of Reg.Nos. 60086 and 60093, respectively.

4 See Decision No. 2006-113, dated 17 October 2006, page 4.

5 See Exhibit "B".

- 6 See Exhibits "D" to "LL".
- 7 See Exhibits "C", "MM" to "TT".
- 8 See Exhibit "UU" to "GGG".
- 9 See Decision No. 2006-113, dated 17 October 2006, page 4.
- 10 The Paris Convention entered into force in the Philippines on 27 September 1965.
- 11 See AFFIDAVIT-TESTIMONY of Ms. Pavanq Langthara and Mr. Saravoot Yoovidhya (Exhibit "B") and Exhibits "C" to "GGG".
- 12 G. R. No. 171053, 15 October 2007.
- 13 See *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 350 (911, Cir. 1979) citing *S. C. Johnson & Son, Inc. v. Droll Dead Co.*, 210 F. Supp. 816 (S.D.Cal. 1962), *Aff'd*, 326 F.2d 87 (9 Cir. 1963) (Pledge and Promise).
- 14 G. R. No. L-21915, 17 December 1966.
- 15 Decision No. 2006-113, dated 17 October 2006, page 6.
- 16 *246 Corporation, doing business under the name and style of Rolex Music Lounge v. Hon. Reynaldo B. Daway, et al*, G. R. No. 157216, 20 November 2003, citing Ruben E. Agpalo, *The Law on Trademark Infringement and Unfair Competition*, 2000 Edition, pp. 168-170.
- 17 Appeal Memorandum, dated 10 April 2007, page 11.
- 18 See Sec. 138 of the IP Code.