

THE DISSTON CORPORATION,	}	Inter Partes Case No. 3149
Opposer,	}	Opposition to:
	}	Serial No. : 57145
-versus-	}	Date Filed : August 14, 1985
	}	Trademark: "DISSTON PURPLE"
ONG BUN SENG DELA CRUZ,	}	
Respondent-Applicant.	}	Decision 2002 – 02
x-----x		

DECISION

This pertains to the verified opposition filed on August 17, 1988 for the registration of the Trademark "DISSTON PURPLE" used on steel wire rope bearing Serial No. 57145 filed on August 14, 1985 which was published in the Bureau of Patents, Trademarks and Technology Transfer Official Gazette, Volume 1, No. 4, page 29 which was released for circulation on June 17, 1988.

The Opposer in the above-entitled case is DISSTON COMPANY, a corporation organized under and pursuant to the laws of North Carolina and having an office at 1030 West Market St., Greensboro, North Carolina 27401.

On the other hand, the herein Respondent-Applicant is ONG BUN SENG DELA CRUZ, a Filipino of 927 G. Masangkay St., Binondo, Manila.

The grounds of the Opposition are as follows:

- "1. The trademark "DISSTON PURPLE" ("Purple" disclaimed) sought to be registered by the Respondent-Applicant is confusingly similar if not identical to the trademark "DISSTON" of the herein Opposer, which it had much earlier adopted and used in commerce in the Philippines and has become publicly known as a trademark registrations in the Philippines and in several major countries of the world:
- "2. The Opposer has spent much for the advertisement and promotion of the trademark "DISSTON" and its business will clearly be damaged and will suffer irreparable injury;
- "3. The trademark "DISSTON PURPLE" of the Respondent so resembles the trademark "DISSTON" of the Opposer as to be likely when applied to or used in connection with the goods of the Respondent-Applicant, to cause confusion or mistake or to deceive purchasers. (Sec. 4 (d) Rep. Act 166, as amended)"

Opposer relied on the following facts to support its opposition:

- "1. The trademark "DISSTON" has been used in the business of the Opposer and in the business of its predecessors, including HENRY DISSTON & SONS, INCORPORATED, a corporation of Pennsylvania, U.S.A., H.K. PORTER COMPANY, a corporation of Delaware, U.S.A., since the year 1862 and therefore, has an exclusive right to use said trademark to the exclusion of others including the Respondent;
- "2. Aside the prior adoption and continuous and exclusive use of the trademark "DISSTON" by Opposer and its predecessors in business, the said trademark was duly registered with the then Bureau of Commerce under Certificate of Registration No. 218 issued on July 30, 1946 under Act No. 666;

- “3. The trademark “DISSTON” was subsequently registered under Rep. Act 166, as amended with the then Philippine Patent Office under Certificate of Registration No. 1291-S issued on April 19, 1949 and said certificate of registration was renewed on September 28, 1970 under Certificate of Registration No. 814.
- “4. The word “DISSTON” is a part of the tradename of the Opposer and as such is entitled to protection under the provisions of Articles 8 of the Convention of Paris for the Protection of Industrial Property without the obligation of filing or registration, whether or not it forms part of a trademark.”

On August 30, 1988, a Notice to Answer has been issued by this Honorable Office and sent to the Respondent-Applicant of which said party did not file the required Answer, hence upon written Motion of the Opposer, the Respondent-Applicant has been declared in DEFAULT, (Order No. 89-272) dated April 20, 1989, whereby Opposer presented its evidence Ex-Parte consisting of Exhibits “a” to “N” inclusive of sub-markings.

The issue to be resolved in this particular case is:

WHETHER OR NOT THE TRADEMARK DISSTON PURPLE APPLIED FOR BY RESPONDENT-APPLICANT IS CONFUSINGLY SIMILAR TO OPPOSER’S DISSTON AND WHO BETWEEN THE PARTIES IS THE FIRST USER AND OWNER OF THE MARK “DISSTON”.

This opposition (INTER PARTES CASE NO. 3149) has been filed at the time the governing Laws on Intellectual Property Rights, particularly TRADEMARKS is R.A. No. 166 as amended.

The applicable provision of law is Section 4(d) of R.A. No. 166 as amended which provides:

SECTION 4. Registration of trademarks, trade-names and service marks on the principal register – xxx The owner of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same of the Principal Register, unless it:

“xxx

“(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers.”

The records will show that the trademark being applied for by Respondent-Applicant contain the words DISSTON PURPLE while that of the Opposer is the word DISSTON.

The trademark DISSTON PURPLE applied for by Respondent-Applicant although not identical with Opposer’s mark DISSTON will nevertheless impress upon the unwary public that they are the same or related as to source because the label presentation of Respondent-Applicant is almost identical and as such, may likely be mistaken to be the mark of or related to or an offshoot or a derivative of Opposer’s mark. Respondent-Applicant’s mark likewise

constitutes the dominant part of Opposer's trademark, the dominant part being the component DISSTON is present in the questioned mark.

The Supreme Court in Emerald Garment Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600, stated that: *Whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the "test of dominancy", meaning, if the competing trademark contains the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place; that duplication or imitation is not necessary, a similarity in the dominant features of the trademark would be sufficient.*

Likewise in the case of Co Tiong Sa vs. Director of Patents, 95 Phil. 1, 4 (1954); and reiterated in Lim Hoa vs. Director of Patents, 100 Phil. 214, 216-217 (1956), the dominancy principle in trademark was formulated when it ruled that:

*"It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place."*

Why would Respondent-Applicant decide to insert Opposer's DISSTON element if there are hundreds to select and created from an array of words, if it has no intention of riding on the popularity and goodwill established by Opposer's mark through long, continued and exclusive use?

In the manner, the court in a long line of cases ruled thus:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numerals etc. as to justify one who really wishes to distinguish his products from the other entering the twilight zone of or filed already appropriated by another (Weco Products Co., Milton Ray Co., 143 F. 2d. 985, 32 C.C.P.A. Patents 1214).

"why of the million of terms and combination of letters and designs available the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark (American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544)."

"xxx Why, with all the birds in the air, and all the fishes in the sea, and all the animals on the face of the earth to choose from the defendant company (Manila Candy Co.) elected two roosters as its trademark, although its directors and managers must have been well aware of the long continued use of a rooster by the plaintiff with the sale and achievement of its goods? xxx a cat, a dog, a carabao, a shark or an eagle stamped upon the container in which candies are sold would serve as well as a rooster for the product of defendant's factory. Why did defendant select two roosters as its trademark? (Clarke vs. Manila Candy Co., 36 Phil. 100)."

Records likewise show that the trademark "DISSTON" has been registered with the then Bureau of Patents on April 19, 1949 Reg. No. 1291-S (Exhibit "A") for cutlery, machinery and tools and originally registered with the then Bureau of Commerce on July 30, 1946 under Certificate of Registration No. 218 (Exhibit "A") in the name of the Opposer.

The trademark "DISSTON" has also been registered in many countries of the world, the earliest of which was issued on February 4, 1913 with a claim of use since 1862 (Exhibit "K"), and in Canada (Exhibit "K-3" and Exhibit "K-4").

Another vital factor to be taken into consideration is the advertisement and promotion of the subject trademark "DISSTON" undertaken by the Opposer in many countries including the Philippines, (Exhibit "L", "L-1", to "L-8").

Under the foregoing circumstances, it is clearly demonstrated that Opposer is the first user of the mark "DISSTON".

It is well established that between a first user and subsequent user, the right of the first user to the exclusive use of a particular trademark must always prevail. As the Supreme Court said in UNNO COMMERCIAL ENTERPRISE, INC. vs. GENERAL MILLING CORPORATION, (120 SCRA 804).

"Prior use by one will controvert a claim of legal appropriation by subsequent users". In the case at bar, the Director of Patents found that ample evidence was presented in the records that Centennial Mills, Inc., was the owner and prior user in the Philippines of the trademark "EL MONTANA" through a local importer, indenter or exporter (The Senior party herein) inures to the benefit of the foreign manufacturer whose goods are identified by the trademark. The junior party has established a continuous chain of title and subsequently, prior adoption and use a based on the facts established, it is safe to satisfactorily discharged the burden of proving priority of adoption and use and is entitled to registration.

In this regard, the Supreme has held that conflicting claims to a trademark should be resolved in favor of the prior user. (GABRIEL vs. PEREZ, 55 SCRA 406) The prior user is entitled to protection in the trademark in the trade he has built up and the goodwill he has accumulated from the use of the trademark. (STERLING PRODUCTS INTERNATIONAL, INC. VS. FARBENFABRIKEN BAYER AKTIENGESSELLSCHAFT, 27 SCRA 1214.)

It is significant to note that the Certificate of Registrations for the mark "DISSTON" in the name of the herein Opposer which were issued so long time ago is no more than a prima facie evidence that it is the owner of the mark (YEBANA CO. vs. CHUA SECO, 14 Phil; 534, 540)

Moreover, Opposer has incurred substantial promotional expenses to develop and maintain the goodwill of its products bearing the trademark "DISSTON". In contrast, Respondent-Applicant applied for the registration of its trademark only subsequent to Opposer's previous registrations. There is no denying therefore, that the Respondent-Applicant is taking advantage of the popularity and goodwill of the Opposer's trademark.

Another point to be emphasized is that the mark "DISSTON" is the corporate name of the herein Opposer, entitled to protection even without the obligation of filing or registration as provided under ARTICLE 8 of the PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY.

In the case of WESTERN EQUIPMENT AND SUPPLY CO vs. REYES, 51 PHIL. 115 (1927), the Court declared that a corporation's right to use its corporate and trade name is a property right, a right in rem, which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. It is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation in the same field. (RED LINE TRANSPORTATION, CO. vs. RURAL TRANSIT, CO., 60 Phil. 549).

A name is peculiarly important as necessary to the very existence of a corporation (American Steel Foundries vs. Robertson, 269 US 372, 70 L ed 317, 46 S ct 160; Lauman vs. Lebanon Valley R. Co., 30 Pa 42; First National Bank vs. Huntington Distilling Co. 40 W Va 530.23 SE 792). Its name is one of its attributes, an element of its existence, and essential to its identity (G Fletcher [Perm Ed], pp. 3-4). The general rule as to corporation is that each corporation must have a name by which it is to sue and be sued and do all legal acts. The name of a corporation in this respect designates the corporation in the same manner as the name of an individual designates the person (Cincinnati Cooperage Co. vs. Bate, 96 Ky 356, 26SW538; Newport Mechanics Mfg., Co. vs. Starbird, 20 NH 123); and the right to use its corporate name is as much a part of the corporate franchise as any other privilege granted (Federal Secur. Co. vs. Federal Secur. Corp., 129 or 375, 276 P 1100, 66, ALR 934, Paulino vs. Portuguese Beneficial Association, 18 RI 165, 26 A 36).

In view of all the foregoing premises, this Office holds that the trademark DISSTON PURPLE of Respondent-Applicant is confusingly similar to Opposer's DISSTON and that the use of the same by the later applicant is likely to create/give rise to confusion.

Worthy to be noted is that the herein Respondent-Applicant has been declared as in DEFAULT for failure to file his Answer within the period prescribed by the Rules (ORDER NO. 89-272) dated May 12, 1989.

Thus, it was held by the Supreme Court in DELBROS HOTEL CORPORATION vs. Intermediate Appellate Court, 159 SCRA 533, 543) that –

“Fundamentally, default orders are taken on the legal presumption in failing to file an Answer, the Defendant does not opposer the allegations and relief demanded in the complaint.”

WHEREFORE, the instant Opposition is hereby SUSTAINED. Consequently, trademark application for the mark “DISSTON PURPLE” bearing Serial No. 57145 filed on August 14, 1985 by ONG BUN SENG DELA CRUZ, is hereby REJECTED.

Let the filewrapper of trademark DISSTON PURPLE subject matter of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) with copy furnished the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 15 January 2002.

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