

UNILEVER PHILIPPINES, INC.,
Opposer,
- versus -

IPC 14-2003-00061

Opposition to:
TM Application No. 4-1998-003729
(Filing Date: 22 May 1998)

LAM SOON TRADEMARK LTD.,
Respondent-Applicant.

TM: "AXE & DEVICE"

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Decision No. 2007 – 138

DECISION

This pertains to the Notice of Opposition to the registration of the mark "AXE & DEVICE" bearing Application Serial No. 4-1998-03729 filed on May 22, 1998 for goods falling under Class 3, namely, detergent, fabric softener, laundry detergents, other household cleaning products, namely, floor cleanser and cleanser, which application was published for opposition in Vol. VI, No. 7, Page 22 issue of the Intellectual Property Office Official Gazette which was officially released for circulation on 13 October 2003.

The Opposers in the above-entitled cases are UNILEVER PHILIPPINES, INC., a corporation duly organized and existing under the laws of the Philippines, with office address at 1351 United Nations Avenue, Manila and UNILEVER N.V., a corporation duly organized under the laws of the Kingdom of the Netherlands, with principal office address at 455 Weena NL-3013 Al Rotterdam, The Netherlands.

On the other hand, Respondent-Applicant is LAM SOON TRADEMARK LIMITED, with address on record at P.O. Box 25, Tutakimoa Road Rarotonga, Cook Islands.

Accordingly, the grounds for opposition are as follows:

"1. The registration of Respondent-Applicant's mark "AXE & DEVICE" will violate Opposer's rights and interests over its "AXE" trademarks specifically "AXE INCA" with Registration No. 4-1996-116350 issued on 10 May 2002. It will also cause great and irreparable injury and damage to Opposer within the meaning of Section 134 of Republic Act No. 8293.

"2. Respondent-Applicant's mark is identical or confusingly similar to Opposer's "AXE" trademarks specifically the trademark "AXE INCA" owned, used and registered by Opposer. Moreover, it also belongs to the same class of goods of Opposer which most likely will deceive or confuse the consumers or purchasing public regarding the source or origin of Respondent-Applicant's goods as that coming from Opposer and thus it cannot be registered under Section 123 (d) and (e) of Republic Act No. 8293.

"3. The registration and use by Respondent-Applicant of the mark "AXE & DEVICE" will diminish and dilute the Opposer's established goodwill to its "AXE" trademarks specifically "AXE INCA".

"4. The Opposer's "AXE" trademarks have become well known internationally and in the Philippines and have acquired general international recognition as belonging to one owner and source, i.e., Opposer.

"5. The registration of the Respondent-Applicant's mark is contrary to the provisions of Intellectual Property Code or Republic Act No. 8293".

In support of the above opposition, Opposers relied on the following facts and circumstances:

"1. Opposer UNILEVER PHILIPPINES, INC. is the licensee of the "AXE" trademarks specifically "AXE INCA", "AXE MIRAGE" and "AXE ADRENALINE" and Opposer UNILEVER N.V. is the registrant of the trademark "AXE INCA" as early as 10 May 2002 and has been using it on various goods for several years now both in the Philippines and abroad before the filing of the mark "AXE & DEVICE" of Respondent-Applicant.

"2. Opposer has even developed and used other "AXE" trademarks such as "AXE MIRAGE" and "AXE ADRENALINE" on various goods both in the Philippines and abroad.

"3. Respondent-Applicant's mark is identical or confusingly similar to Opposer's trademark and covers the same class of goods such that the consumers or the purchasing public will be deceived or confused and will tend to believe that Respondent-Applicant's goods originated from the Opposer. Therefore, the registration of the mark "AXE & DEVICE" will result to great and irreparable injury and damage to Opposer's intellectual property right to its "AXE" trademarks.

"4. The Opposer's "AXE" trademarks have become well known internationally and in the Philippines and have acquired general international recognition as belonging to one owner and source, i.e., Opposer.

"5. Opposers has spent huge amount for promotion, advertising and marketing of the "AXE" trademarks specifically "AXE INCA" in the Philippines.

"6. The extensive use of the "AXE" trademarks specifically "AXE INCA" and the significant amount being spent for advertising and marketing, has led to the generation of enormous goodwill for these trademarks in the Philippines and as a consequence these have acquired general consumer recognition as manufactured and distributed by Opposer and that all "AXE" products belong to one manufacturing source, i.e., from Opposer. Since the Opposer's goods have acquired the reputation of high quality products to the consumers or purchasing public, the "AXE" trademarks specifically "AXE INCA" have developed a remarkable goodwill. The registration of the trademark "AXE & DEVICE" will diminish and dilute the recognized goodwill established by the Opposer for "AXE" products in the Philippines."

In answer thereto, Respondent-Applicant filed its Verified Answer stating therein specific admissions and denials and setting forth the following affirmative allegations and defenses:

"1. Respondent-Applicant is the lawful proprietor of the internationally well known trademark "AXE & DEVICE".

"2. The competing marks are neither identical nor confusingly similar."

Considering that the case is still undergoing Pre-Trial when Office Order No. 79 took effect, the above-entitled case was mandatorily covered by the summary rules wherein the parties were directed to submit their respective evidences and supporting documents in compliance with the provisions of Office Order No. 79.

In compliance therewith, Opposer submitted the following affidavits and exhibits in support of the opposition, to wit:

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EXHIBIT	DESCRIPTION
"Affidavit-A"	Affidavit of Atty. Danilo Cruz
"A"	Copy of the Certificate of Compliance No. 5-1998-00003 of the Service Agreement between Unilever Philippines, Inc. and Unilever N.V. dated 23 June 1998
"B"	Certified true copy of the Amended Service Agreement between Unilever Philippines, Inc. and Unilever N.V. dated 12 February 2001
"C"	Copy of the certified true copy of the Benelux Home Registration of "AXE INCA" under Registration No. 0592289 Registered in 1996
"D"	Copy of the certified true copy of the Benelux Home Registration of "AXE MIRAGE" under Registration No. 0532946 registered in 1993
"E"	Copy of the certified true copy of the Benelux Home Registration of "AXE ATLANTIS" under Registration No. 0593567 registered in 1996
"F"	Copy of the certified true copy of the Benelux Home Registration of "AXE ADRENALINE" under Registration No. 0593566 registered in 1996
"G"	Copy of the certified true copy of the Benelux Home Registration of "AXE" under Registration No. 0602740 registered in 1997
"H"	Copy of the certified true copy of the Certificate of Registration of "AXE INCA" in the Philippines as per Registration No. 4-1996-116350 registered on 10 May 2002
"I"	Copy of the certified true copy of the Certificate of Registration of "AXE MIRAGE" in the Philippines as per Registration No. 4-1995-100340 registered on 30 October 2004

“J” Copy of the certified true copy of the Certificate of Registration of “AXE ADRENALINE” in the Philippines as per Registration No. 4-1997-119005 registered on 28 September 2003

“K” Certified true copy of the sales invoices of the different “AXE” variants being sold in the Philippine market

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EXHIBIT	DESCRIPTION
“Affidavit-A”	Affidavit of Atty. Oscar M. Manahan
“A”	Certified true copy of the Certificate of Registration of “AXE INCA” in the Philippines as per Registration No. 4-1996-116350 registered on 10 May 2002
“B”	Certified true copy of the Certificate of Registration of “AXE MIRAGE” in the Philippines as per Registration No. 4-1995-100340 registered on 30 October 2004
“C”	Certified true copy of the Certificate of Registration of “AXE INCA” in the Philippines as per Registration No. 4-1996-116350 registered on 10 May 2002
“D”	Certified true copy of the Benelux Home Registration of “AXE MIRAGE” under Registration No. 0532946 registered in 1993
“E”	Certified true copy of the Benelux Home Registration of “AXE INCA” under Registration No. 0592289 registered in 1996
“F”	Certified true copy of the Benelux Home Registration of “AXE ATLANTIS” under Registration No. 0593567 registered in 1996
“G”	Certified true copy of the Benelux Home Registration of “AXE ADRENALINE” under Registration No. 0593566 registered in 1996
“H”	Copy of the certified true copy of the Certificate of Registration of “AXE INCA” in the Philippines as per Registration No. 4-1996-116350 registered on 10 May 2002
“I”	Certified true copy of the Certificate of Compliance No. 5-1998-00003 entitled

Amended Service Agreement between
Unilever N.V. and Unilever Philippines,
Inc. dated 12 February 2001

“J”

The current General Power of Attorney
appointing Atty. Oscar M. Manahan as
resident agent and attorney of Unilever
N.V.

Respondent-Applicant, on the other hand, has been declared to have waived the right to submit evidences and supporting documents in compliance with Office Order No. 79 for its consequent failure to submit the same despite the lapse of the period given to Respondent-Applicant.

The main issue to be resolved in this case is:

Whether or not Respondent-Applicant's "AXE & Device" mark is confusingly similar with Opposer's AXE trademarks specifically "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE"

This Bureau finds confusing similarity between Respondent-Applicant's "AXE & DEVICE" mark and Opposer's AXE trademarks, i.e., "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE".

It should be noted that the trademark application being opposed were filed on May 22, 1998 or during the effectivity of Republic Act 8293 otherwise known as the Intellectual Property Code of the Philippines. Thus, these cases shall be resolved on the basis of the applicable provisions of Republic Act 8293.

A cursory reading of the provisions of R.A. 8293 (Intellectual Property Code of the Philippines) specifically Section 123.1 (d) thereof provides the criteria for the registration of a trademark, to wit:

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

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing date, in respect of:

- (i) The same good or services; or
- (ii) Closely related goods or services; or
- (iii) If nearly resembles such mark as to be likely to deceive or cause confusion;

x x x

The test of confusing similarity which would preclude the registration of a trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing marks must be so identical as to produce actual error or mistake. It would be sufficient, for purposes of the law that the similarity between the two labels be such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.

Given the above precept, a question lies as to whether likelihood of confusion exists between the marks "AXE & Device" and "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE" of Respondent-Applicant is precluded from registering the mark "AXE & Device" in its favor.

Resolving the issue of confusing similarity, the law and jurisprudence has developed two kinds of tests – the Dominancy Test applied in *Asia Brewery, Inc. v. Court of Appeals*, 224 SCRA 437; *Co Tiong v. Director of Patents*, 95 Phil. 1; *Lim Hoa v. Director of Patents*, 100 Phil. 214; *American Wire & Cable Co. v. Director of Patents*, 31 SCRA 544; *Philippine Nut Industry, Inc. v. Standards Brands, Inc.*, 65 SCRA 575; *Converse Rubber Corp. v. Universal Rubber Products, Inc.*, 147 SCRA 154; and the Holistic Test developed in *Del Monte Corporation v. Court of Appeals*, 181 SCRA 410; *Mead Johnson & Co. v. N.V.J. Van Dorp. Ltd.*, 7 SCRA 771; *Bristol Myers Co. v. Director of Patents*, 17 SCRA 128; *Fruit of the Loom, Inc. v. Court of Appeals*, 133 SCRA 405.

As its title implies, the test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception. It is necessary if the competing trademark contains the main, essential or dominant features of another, and confusion or deception is likely to result. xxx The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive purchasers.

On the other side of the spectrum, the holistic test requires that the entirety of the marks in question be considered in resolving confusing similarity. Comparison of 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 words 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.

In several cases decided by the Supreme Court, it has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Thus, in the 2004 case of *McDonald's Corporation*, the Supreme Court has relied on the dominancy test in resolving the issue of likelihood of confusion ruling that:

“This Court, however, has relied on the dominancy test rather than the holistic test. The determining test considers the dominant features in the competing marks in determining whether they are confusingly similar. Under the dominancy test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences. Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets and market segments.”

Indeed, the test of dominancy is usually applied where the marks involved are composite marks. A composite mark consists of two or more features, one of which is dominant. If the dominant feature is imitated, or if such dominant feature is made a part of another composite mark, a case of confusing similarity may result.

Now, as to what constitutes a dominant feature of a label, no set of rules can be deduced. Usually, these are signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that easily attracts and catches the eye of the ordinary consumer.

Relative thereto, the Supreme Court in the case of *Philippine Nut Industry, Inc.* has the occasion to discuss as to what constitutes a dominant feature of a mark, ruling that:

“An ordinary word like PLANTERS may be considered as the dominant and striking mark of a label where it is used not merely to describe the nature of the product, but to project the source or origin thereof, and it is so printed across the label in bold letters that it easily attracts and catches the eye of the ordinary consumer and it is that word and none other that sticks in his mind when he thinks of the product.”

Relying on the above premise, this Bureau finds that the word AXE is the dominant feature in Opposer's "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE" trademarks. It is supported by the fact that the word AXE is present in the trademark registrations of Opposer such that the word AXE is the feature that easily attracts and catches the eye of the ordinary purchaser. In the instant case, the word AXE in Opposer's marks was added with the words INCA, MIRAGE and ADRENALINE making it a composite mark where AXE is the dominant feature. Thus, the application for registration of the trademark "AXE & Device" by Respondent-Applicant likewise printed in capital bold letters will likely cause confusion with Opposer's "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE" marks.

For further scrutiny, the contending marks of Opposer and Respondent-Applicant are hereby reproduced, to wit:



Applying the dominancy test, the visual impression created by the marks is the existence of the word AXE in both trademarks of Opposer and Respondent-Applicant. Although admittedly Opposer's marks may be considered a word mark, it is undeniable that in order to distinguish its mark, Opposer has opted to conclude the word AXE in the above-mentioned trademark registrations such that the word AXE is the easily remembered word in Opposer's trademarks.

With respect to the goods which the contending marks respectively carry, it is also likely that confusion may arise as to their source or origin.

As appearing in the Certificate of Registrations, Opposer's goods falling under Class 3 include the following, to wit:

"Cleaning agents; soaps; perfumery, eau de cologne, eau de toilette, essential oils, cosmetics, cosmetic oils, creams and lotions for the care of the skin; personal care products for the hair and the teeth; dentifrices; anti-perspirants and deodorants for personal use; personal products for bath and shower, talcum powder for personal use; personal care products."

On the other hand, Respondent-Applicant's "AXE & Device" mark includes the following goods likewise falling under Class 3, namely:

"Detergent, fabric softener, laundry detergents, other household cleaning products, namely, floor cleanser and cleanser."

Undoubtedly, the goods which the Opposers' "AXE INCA," "AXE MIRAGE" and "AXE ADRENALINE" marks carry and that of Respondent-Applicant's "AXE & Device" mark belong to the same class of goods falling under Class 3. While the Opposer's goods may be classified as personal care products and Respondent-Applicant's goods under household cleaning agents will not deviate the finding that confusion as to their source or origin will likely arise considering that

the enumeration of the goods themselves will clearly reveal that they are related. At most, the respective goods of Opposers and Respondent-Applicant may be best classified as common household items and the target market of the same are usually the ordinary purchasers who usually know them only by their names or trademarks. Additionally, said goods ordinarily displayed or sold in grocery stores and they flow through the same channel of trade.

Moreover, this Bureau cannot ignore the fact that Opposers are also known manufacturers of household cleaning products such as detergents. In support of the same Opposers submitted in evidence a Certificate of Registration from Benelux for the mark "AXE" covering the following goods falling under Class 3 such as:

"Bleaching agents and other detergents; cleaning, polishing, degreasing and scouring agents; soaps; perfumery, essential oils, cosmetics; dentifrices; personal care products, also for bath and shower; talcum powder for personal care; hair care products; anti-perspirants and deodorants for personal use incl. Perfumed body sprays."

Finally, where the product on which the junior user employed the identical mark is within the zone of potential or natural and logical operation of the senior user of said mark, the latter is entitled to be protected against such use because to rule otherwise is to forestall the normal potential expansion of his business, or to preclude him from using the same mark on such goods.

Therefore, from the evidences presented and considering the facts and the law applicable, Respondent-Applicant is barred from registering the mark "AXE & Device" in its favor as confusion as to source or origin is likely to arise.

WHEREFORE, the Notice of Opposition is hereby SUSTAINED. Consequently, application bearing Serial No. 4-1998-003729 filed by Respondent-Applicant LAM SOON TRADEMARK LIMITED on May 22, 1998 for the registration of the mark "AXE & Device" used for detergent, fabric softener, laundry detergents, other household cleaning products, namely, floor cleanser and cleanser is, as it is, hereby REJECTED.

Let the filewrapper of "AXE & Device", 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, 06 December 2006.

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