

WINTRADE INDUSTRIAL	}	IPC No. 14-2007-00322
SALES CORPORATION,	}	Opposition to:
Opposer,	}	
	}	Serial No. : 4-2007-006337
-versus-	}	Date Filed : 19 June 2007
	}	
VICENTE LO,	}	Trademark: "CASA HIPOLITO"
Respondent-Applicant.	}	
x-----x		Decision No. 2009-118

DECISION

This pertains to a Verified Opposition filed on 07 November 2007 by herein opposer, Wintrade Industrial Sales Corporation, a Philippine corporation with principal place of business address at 2366 Leon Guinto Street, Malate, Manila, against the application filed on 19 June 2007 bearing Serial No. 4-2007-006337 for the registration of the trademark "CASA HIPOLITO" used for goods/service in Class 35 for the manufacture, sale and service of burners for kerosene stoves and its parts and accessories, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 14 September 2007.

The respondent-applicant in this instant opposition is Vicente Lo with business address at Lot 7, Champaca Road UPS-IV Parañaque City.

The grounds for this opposition are as follows:

- "1. The approval of the application in question is contrary to Sections 123.1 (d) and 138 of Republic Act No. 8293;
2. As registered owner of the trademarks HIPOLITO & SEAHORSE DEVICE, HIPOLITO & SEAHORSE & TRIANGULAR DEVICE, and SEAHORSE AND REPRESENTATION OF A SEAHORSE, the approval of the application in question will violate Opposer's right to the exclusive use of its registered trademarks and cause great and irreparable damage and injury to it."

The allegations of facts are as follows:

- "2. The trademark HIPOLITO & SEAHORSE DEVICE is duly registered in favor of Opposer under Registration No. SR-2929 issued on August 18, 1966 and renewed last August 18, 1997, for use on heating and lighting fixtures and parts, flashlights, batteries, flat-irons, lamps, lanterns, water heater and cooler, refrigerators and parts thereof, either fueled by LP gas, kerosene or electricity, fishing line, net twine, float and gook, falling under Classes 9, 11 and 22.

Registration No. SR-2929 continues to be in full force and effect.

x x x

3. The trademark HIPOLITO & SEAHORSE TRIANGULAR DEVICE is duly registered in favor of Opposer under Registration No. 27964 on December 20, 1979 and renewed last December 20, 1999, for use on coolers, flashlights, batteries, flat irons, lamps and water heaters, fishing line, net twine, float and hook; refrigerators, rangers, stoves, burners, gas regulators, mantles and wicks; and lanterns, falling under Classes 9, 11 and 28.

Registration No. 27964 continues to be in full force and effect.

x x x

4. The trademark HIPOLITO & SEAHORSE DEVICE is duly registered in favor of Opposer under Registration No. 4-2003-000776 issued on July 8, 2004 for use on lock set, padlock, drawer, lock; electric motor, diesel engine, generator, paper shredder, copy machines; scales, transformer, communication equipment, telephone apparatus, calculator, computer, monitor; bulbs, fluorescent tube, starter, ballast, insulating materials, i.e. tube, plate and rod, socket, lamp holder, lighting fixture, and electric wiring devices, falling under Classes 6, 7, 9, 11, 12, and 17.

Registration No. 4-2003-000776 continues to be in full force and effect. x x x

5. The trademark SEAHORSE AND REPRESENTATION OF A SEAHORSE BETWEEN THE WORD SEA AND HORSE is duly registered in favor of Opposer under Registration No. 4-2003-006567 issued on March 20, 2005 for use on telephone apparatus, calculator, computer, monitor, starter, socket, flat-irons, ranges, ballast, lamp holder, lamps, water heaters, refrigerators and lanterns, falling under Classes 9 and 11.

6. Opposer has also extended the use of the trademark SEAHORSE AND REPRESENTATION OF A SEAHORSE BETWEEN THE WORD SEA AND HORSE on sprayer; burner; fishing lines, fishing twine, plastic netter; and plastic reels, falling under Classes 8, 11, 22 and 28, covered by Application Serial No. 4-2007-002038. x x x

7. Opposer has used and continues to use its aforementioned registered trademarks. Submitted herewith as Exhibits "G", "H", "I", and "J", are the Declarations of Actual Use submitted by Opposer last March 20, 2003; February 4, 2005; January 26, 2006; and May 31, 2006, respectively, and made integral parts hereof. x x x

8. Respondent-applicant's trademark CASA HIPOLITO is confusingly similar to Opposer's registered trademarks, "HIPOLITO & SEAHORSE DEVICE, HIPOLITO & SEAHORSE & TRIANGULAR DEVICE, and SEAHORSE AND REPRESENTATION OF A SEAHORSE". x x x

9. The goods or services covered by Respondent-Applicant's application falling under Class 35, are identical to and/or related to, the goods covered by Opposer's Registration No. SR-2929 (Exhibit "B"); Registration No. 27964 (Exhibit "C"); Registration No. 4-2003-000776 (Exhibit "D"); and Registration No. 4-2003-006567 (Exhibit "E"), as well as Application Serial No. 4-2003-002038 (Exhibit "F").

Accordingly, the approval of the application in question is contrary to Section 123.1 (d) of Republic Act No. 8293 x x x

10. The approval of the application in question violates the right of opposer to the exclusive use of its registered trademarks HIPOLITO & SEAHORSE DEVICE, HIPOLITO & SEAHORSE & TRIANGULAR DEVICE, and SEAHORSE AND REPRESENTATION OF A SEAHORSE on goods listed in the registration certificates issued to it.

Section 138 of the IP Code, which is a reiteration of Section 20 of Republic Act No. 166, as amended, provides: x x x

11. The approval of the application in question has caused and will continue to cause great and irreparable damage and injury to Opposer."

Attached to the foregoing opposition are documentary evidence consisting of Exhibits "A", "B", "C", "D", "E", "F", "G", "H", "I" and "J".

In compliance to the Notice to Answer dated 29 November 2007, respondent-applicant submitted its Verified Answer on 10 April 2008 only the allegations in the opening paragraph in so far as the particulars of the above-identified application by herein respondent-applicant and the fact of the publication thereof in the Intellectual Property Office's E-gazette. All other allegations are specifically denied following the special and affirmative defenses, to wit:

"4. There is neither legal nor factual basis for opposer's claim that it will be damaged by the registration of the trade name "CASA HIPOLITO" in favor of respondent-applicant;

4.1 The registration and use by the respondent-applicant of its trade name CASA HIPOLITO for the manufacture, sale and service of burners for kerosene stoves and its parts and accessories falling under class 35 will not cause confusion or mistake on the part of the consuming public primarily because the trademark of the Opposer and trade name of the Respondent-Applicant do not collide as they are entirely different. Opposer's basis for its opposition involves a trademark while that of Respondent-Applicant involves a trade name.

Under Section 121.1 of the Intellectual Property Code of the Philippines (R.A. No. 8293), a “Mark” means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods. On the other hand, under Section 121.3 of the Code, “Trade Name” means the name or designation identifying or distinguishing an enterprise. Based on these definitions, clearly, a trademark is completely different from a trade name. Thus in the case of *Ang Si Heng vs. Wellington Dept. Store et al.* G.R. No. L-4358 January 2, 1953, the Court ruled that no confusion or deception can possibly result between the trademark “Wellington” and trade name “Wellington Dept. Store”.

4.2 The marks registered by the opposer are distinctly different from that being applied for by the herein respondent-applicant which is a trade name.

Note that the four (4) trademarks of the Opposer are (1) HIPOLITO & SEAHORSE DEVICE (Registration No. SR-2929); (2) HIPOLITO AND SEAHORSE TRIANGULAR DEVICE (Registration No. 27964); (3) HIPOLITO AND SEAHORSE DEVICE (Application No. 4-2003-000776); and (4) SEAHORSE AND REPRESENTATION OF A SEAHORSE BETWEEN THE WORDS SEA AND HORSE (Application No. 4-2003-006567). Based on these 4 marks of the Opposer, the distinguishing term is the word “SEAHORSE”. Notably, the predominant word “seahorse” in the 4 marks of the Opposer is not present in “CASA HIPOLITO” of Respondent-Applicant.

The trade name “CASA HIPOLITO” bears the term “CASA” which is the first word in the trade name and is evidently not present in any of the 4 trademarks of Opposer.

4.3 Moreover, the trademarks of the Opposer and the trade name of Respondent-Applicant are spelled differently, and do not also sound alike when pronounced. Obviously, there is no phonetic similarity between them. Even in terms of meaning no likelihood of confusion will occur because the trademarks of Opposer and trade name of Respondent-Applicant connote completely different terms.

4.5 Hence, confusion is unlikely between the trademarks of the Opposer and trade name of Respondent-Applicant because their over-all presentations in any of the particulars of appearance, sound or meaning are such as would not lead in any manner the purchasing public into believing that the products to which the marks are applied emanated from the same source.

5. The approval of the application for trade name registration of the herein applicant would not in any way create confusion to the public as to misinterpret that the goods of the applicant emanated from the opposer, it is but proper for the Honorable Office to deny the instant opposition and the application for the registration of the respondent-applicant's trade name be approved.

6. Respondent-applicant is a law abiding citizen with integrity and goodwill of his own, and known for his fair and just undertaking of his businesses.

6.1 Respondent-applicant adopted and used the subject trade name in good faith without any intention to confuse the consuming public.

6.2 To perfect his claim of ownership over the name, the corresponding application for registration was filed in good faith before the Intellectual Property Office (IPO). It was only after a thorough examination by the trademark examiner and his supervisor in accordance with the existing laws and regulations governing the IPO that the name was found registrable over other marks, was allowed to proceed to publication. If the name of the respondent-applicant is confusingly similar with other names of marks as alleged by the opposer, the examiner would have not out rightly rejected the subject application instead of recommending it for allowance. This being so, opposer has the burden of proof to show that the Bureau of Trademarks was wrong in its decision finding the trade name registrable."

Subsequently, this case was scheduled for Preliminary Conference. After series of conference to discuss the possibility of settlement, parties find no feasible ground to reach in common terms and interest, hence, said conference was ordered terminated on 06 October 2008. This Bureau then issued Order No. 2008-1524 dated 07 October 2008 directing parties to submit their respective position papers and/or draft decisions, if desired. On 31 October 2008, this Bureau received the position papers of both parties, for final deliberation.

The issue –

Whether or not there is confusing similarity between opposer's registered trademarks "HIPOLITO & SEAHORSE DEVICE", "HIPOLITO & SEAHORSE & TRIANGULAR DEVICE," and "SEAHORSE AND REPRESENTATION OF A SEAHORSE" and its pending application for "SEAHORSE & REPRESENTATION OF A SEAHORSE BETWEEN THE WORDS SEA AND HORSE" and respondent-applicant's "CASA HIPOLITO", for the respective classes of goods/service they cover.

The pertinent provision of the law provides:

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

x x x

(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;

x x x (Emphasis Supplied)

[Sec. 123.1 (d), R.A. No. 8293]

In a contest involving registration of trademark, the determinative factor 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.

The existence of confusion of trademark or the possibility of deception to the public hinges on “*colorable imitation*”, which 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 part as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article”. (Emerald Garment Mfg. Corp. vs Court of Appeals, 251 SCRA 600)

Thus, in determining confusion of goods or origin, it does not require that the competing trademarks must be so identical as to produce actual error or mistake. It is rather 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 for it.

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

The Test of Dominancy has been consistently relied upon by the Honorable Supreme Court in cases relating to infringement of marks. It is in fact incorporated in Section 155 of R.A. 8293 which focuses on the similarity of the prevalent features, or the main, essential

and dominant features of the competing trademarks which might cause confusion or deception. So 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.

The Holistic Test, in the case of *Mighty Corporation vs. E & J Gallo Winery*, 434 SCRA 473, held that, “the discerning eye of the observed 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.

A perusal of the records of this instant case show that herein opposer claims ownership and exclusivity of use over its three registered trademarks and one pending trademark application, with their respective goods, namely:

1. “Hipolito & Seahorse Device” (Registration No. SR-2929) (Exhibit “B”) – heating and lighting fixtures and parts, flashlights, batteries, flat-irons, lamps, lanterns, water heater and cooler, refrigerators and parts thereof, either fueled by LP gas, kerosene or electricity, fishing line, net, twine, float and hook under classes 9, 11 and 12;
2. “Hipolito & Seahorse & Triangular Device” (Registration No. 27964) (Exhibit “C”) – coolers, flashlights, batteries, flat irons, lamp and water heaters, fishing line, net twine, float and hook; refrigerators, ranges, stoves, burners, gas regulators, mantles and wicks; and lanterns under classes 9, 11 and 28;
3. “Hipolito & Seahorse Device” (Registration No. 4-2003-000776) (Exhibit “D”) – lockset, padlock, drawer, lock; electric motor, diesel engine, generator, paper shredder, copy machines; scales, transformer, communication equipment, telephone apparatus, calculator, computer, monitor; bulbs, fluorescent tube, starter, ballast, insulating materials i.e. tube, plate and rod, socket, lamp holder, lighting fixture, and electric wiring devices under classes 6, 7, 9, 11, 12 and 17;
4. “Seahorse and Representation of a Seahorse Between the Words Sea and Horse” (Registration No. 4-2003-006567) (Exhibit “E”) – telephone apparatus, calculator, computer, monitor, starter, socket, flat irons, ranges, ballast, lamp holder, lamps water heaters, refrigerators and lanterns under classes 9 and 11;
5. “Seahorse and Representation of a Seahorse Between the Words Sea and Horse” (Application Serial No. 4-2007-002038) (Exhibit “F”) – sprayer; burner; fishing lines, fishing twine, plastic netter; and plastic reels under classes 8, 11, 22 and 28.

After examination of the foregoing, this Bureau finds that respondent-applicant's "Cases Hipolito" is confusingly similar with opposer's registered trademarks "Hipolito & Seahorse Device" and "Hipolito & Seahorse & Triangular Device". Illustrated hereunder are the reproductions of the competing marks, to wit:



Opposer's Trademark

CASA HIPOLITO

Respondent-Applicant's Trademark

The contending marks albeit not identical, appears confusingly similar. The word "Hipolito" is the dominant feature in the contending marks. The Seahorse device cannot dispel the confusion because of the essentiality of the word mark "hipolito" in both marks. Its presence creates a perceivable confusion, visually and aurally. On the part of respondent-applicant, he failed to credibly come-up with justification in adopting the subject mark in its line of business.

The goods as above-cited are related goods because the purchasers of opposer's goods will relate respondent-applicant as its service provider. They are complementing each other's line of business, thus, establishing a connection between the opposer and the respondent-applicant.

As held in the case of *Mc Donald's Corporation et al. v. L.C. Big Mak Burger, Inc., et al.*, G.R. No. 143993, August 18, 2003; *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, supra.*, "an ordinary purchaser might likely be induced to believe that the goods of one party are related to those of the other party and/or that, at the least, there is some connection between opposer and respondent-applicant which, in fact, does not exist. There is likelihood not only of confusion of goods but also confusion of business."

The doctrine of confusion of origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one's business reputation confused with another. "The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public. x x x (*Ang vs. Teodoro*, 74 Phil. 50)

WHEREFORE, the Notice of Opposition is hereby SUSTAINED. Consequently, application bearing Serial No. 4-2007-006337 filed by respondent-applicant Vicente Lo for the registration of the mark "CASA HIPOLITO" used under Class 35 of the Nice Classification, for use on the manufacture, sale and service of burners for kerosene stoves and its parts and accessories is, as it is, hereby REJECTED.

Let the file wrapper of "CASA HIPOLITO", 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, 25 September 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs