

ZED PHILIPPINES, INC.,
Petitioner,

- versus -

INFORMATION GATEWAY, INC.,
Respondent-registrant.

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ZED PHILIPPINES, INC.,
Petitioner,

- versus -

INFORMATION GATEWAY, INC.,
Respondent-registrant.

x-----x

ZED PHILIPPINES, INC.,
Petitioner,

- versus -

INFORMATION GATEWAY, INC.,
Respondent-registrant.

x-----x

INFORMATION GATEWAY, INC.,
Opposer,

- versus -

ZED PHILIPPINES, INC.,
Respondent-Applicant.

x-----x

INFORMATION GATEWAY, INC.,
Opposer,

- versus -

ZED PHILIPPINES, INC.,
Respondent-Applicant.

x-----x

INFORMATION GATEWAY, INC.,
Opposer,

- versus -

ZED PHILIPPINES, INC.,
Respondent-Applicant.

x-----x

IPC No. 14-2007-00301
Petition for Cancellation
Trademark: HOTPIC
Registration No. 4-2004-008916
Class 38
Filing date: Sept. 24, 2004
Date issued: March 5, 2007

IPC No. 14-2007-00302
Petition for Cancellation
Trademark: HOTLOGO
Registration No. 4-2004-008917
Class 38
Filing date: Sept. 24, 2004
Date issued: January 8, 2007

IPC No. 14-2007-00303
Petition for Cancellation
Trademark: HOTTONE
Registration No. 4-2004-008918
Class 38
Filing date: Sept. 24, 2004
Date issued: March 5, 2007

IPC No. 14-2007-00040
Opposition to:
Appln. Ser. No. 4-2004-006803
Filing date: 30 July 2004
Trademark: "HOTTONES &
Device

IPC No. 14-2007-00047
Opposition to:
Appln. Ser. No. 4-2004-006802
Filing date: 30 July 2004
Trademark: "HOTPICS &
Device

IPC No. 14-2007-00091
Opposition to:
Appln. Ser. No. 4-2004-006857
Filing date: 02 August 2004
Trademark: "HOT LOGOS &
Device

Decision No, 2009-104

DECISION

For decision are six consolidated inter partes cases, of which three (3) are opposition cases and three (3) are petitions for cancellation filed by the parties against each other. The opposition cases were filed by Information Gateway, Inc. (hereinafter referred to as Respondent-registrant/Opposer IGI), a corporation duly organized and existing under the laws of the Philippines with office address at 3F Jaycem Building, 104 Rada Street, Legaspi Village, Makati City, with new address at 3F Mobile Entertainment Centre, 104 Rada Street, Legaspi Village, Makati City against the following applications for registration namely: Application No. 4-2004-006803 for the mark HOTTONE & DEVICE filed on July 30, 2004 for services under Class 38, namely: "Weekly subscription service where users receive 2 SMS lists per week, featuring ZED's new and top Nokia monophonic ringtones separately"; Application Serial No. 4-2004-006802 for the mark HOTPICS & DEVICE filed on July 30, 2004 for services under Class 38, namely: "Weekly Subscription service where users receive 2 SMS lists per week, featuring SED's new and top NOKIA operator picture message separately; Application Serial No. 4-2002-002846 for the mark HOTLOGOS & DEVICE for services under Class 38, namely: "Weekly Subscription service where users receive 2 SMS lists per week, featuring ZED's new and top Nokia operator logos separately" which applications for trademark registration were filed by Zed Philippines, Inc. (hereinafter referred to as Petitioner/respondent-applicant ZED), a corporation duly organized and existing under the laws of the Philippines with temporary address at 28/F Tower 2-Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City.

Later on, petitioner /respondent-applicant Zed instituted petitions for cancellation against the registrations obtained by respondent-registrant/opposer IGI namely: Certificate of Registration No. 4-2004-008916 dated March 5, 2007 for the mark HOTPIC for use in class 38 namely: Brand for Wireless service or wireless portal keyword used in a wireless application; Certificate of Registration No. 4-2004-008917 dated January 8, 2007 for the mark HOTLOGO for use in class 38 namely: "Brand or keyword used in telecommunications services particularly in wireless applications, namely: network and connectivity applications (GSM, EDGE, TDMA, WCDMA, CDMA, UMTS, 3G Networks, I-mode, WIFI, WIMAX, Wireless Broadband, Mobile, Internet, HSCSD, Bluetooth, IR, POP-Port, Data Cable); Mobile Messaging, Browsing and Application (WAP, SMSm MMS, IVR, Mobile Email, XHTML, Push to Talk, Express Video, MPEG3, MPEG4; Music (Real Music, MP3, AAC, AMR, AWB, True Tones, Polyphonic, WMA, Monotone); and Image Transmission and Certificate of Registration No. 4-2004-008918 dated March 5, 2007 for the mark HOTTONE for use in class 38 namely: "Brand for wireless service or wireless portal, keyword used in a wireless application" issued in the name of Information Gateway, Inc. with address at Unit 1401, PSE Center, West Tower, Exchange Road, Ortigas Center, Pasig.

On 26 June 2006, Respondent-registrant-opposer IGI filed an opposition to the application filed by petitioner/respondent-applicant ZED for the registration of the mark HOTLOGO, and relied on the following grounds:

1. On January 7, 2004 Opposer filed a trademark application for HOT LOGO under Application No. 4-2004-000115 for computer software, a copy of which is hereto appended to form an integral part hereof as Exhibit "E".
2. As early as August 17, 2003, Opposer has published HOT LOGO/S together with HOT PIC/S and HOT TONE/S as its brand for wireless services as evidenced by the August 17, 2003 issue of THE PHILIPPINE STAR, copy of which is hereto attached as Exhibit "D".
3. On January 14, 2004, Opposer filed its Declaration of Actual Use of the mark for all wireless applications, a copy of which is hereto appended to form an integral part hereof as Exhibit "F".

4. On April 7, 2004, Respondent-applicant's advertisement on page G-1 of the LIFESTYLE SECTION of *THE PHILIPPINE STAR* showing a similar if not totally the same mark of the applicant caught the attention of the opposer. Hence, opposer was then constrained to send a letter dated April 12, 2004 to MS. CAREN TIANGCO of SMART COMMUNICATIONS informing the latter that HOTLOGO/S, HOTTONEIS and HOTPIC/S are the trademarks/service marks of INFORMATION GATEWAY, INC., which are in the process of registration with the Intellectual Property Office. A copy of the letter dated April 12, 2004 is hereto appended to form an integral part hereof as Exhibit "G".
5. On September 24, 2004, Opposer filed another trademark application for HOTLOGO under Application No. 4-2004-008917 for brand for wireless services or wireless portal, keyword used in a wireless application under Class 38 as a natural expansion of its earlier application for computer software. A certified machine copy of the Trademark Application No. 4-2004-008917 for HOTLOGO is hereto appended to form an integral part hereof as Exhibit "H".
6. Unknown to the Opposer, respondent-applicant on August 2, 2004 filed an application for HOT LOGOS & DEVICE, which is the Subject of this Opposition.
7. Opposer came to know of such trademark application when the same was cited during the examination of its Trademark Application No. 4-2004-008917 for HOTPIC.
8. Section 123.1 of R.A. No. 8293 and Rule 101 of the Trademark Regulations on Registrability of Trademarks provides, thus:

"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) It nearly resembles such a mark as to be likely to deceive or cause confusion;

9. Moreover, the registration of the subject mark would prevent the *natural expansion* of Opposer's earlier filed application for registration of the mark HOT LOGO for computer software to a directly related telecommunications service for wireless services/applications."

On 9 February 2007, respondent-registrant-Opposer, IGI filed an opposition to the application filed by petitioner/respondent -applicant ZED for the registration of the mark HOTTONES & DEVICE and relied on the following grounds:

1. . On January 07, 2004 Opposer filed trademark application for "HOTTONE under Application No. 4-2004-000116 for computer software, a copy of which are hereto appended to form an integral part hereof as Exhibits "B-1".
2. As early as August 17, 2003, Opposer has published HOTTONES and HOT LOGO/S together with HOT PIC/S as its brand for wireless services as evidenced by the August 17, 2003 issue of THE PHILIPPINE STAR, a copy of which are hereto attached as Exhibits "B-2" .

3. On January 14, 2004, Opposer filed its Declaration of Actual Use of the mark for all wireless applications, a copy of which are hereto appended to form an integral part hereof as Exhibits "B-3".
4. On April 07, 2004, Respondent-Applicant's advertisement on page G-1 of the LIFESTYLE SECTION of THE PHILIPPINE STAR showing a similar if not totally the same mark of the applicant caught the attention of the Opposer. Hence, Opposer was then constrained to send a letter dated April 12, 2004 to Ms. CAR EN TIOANGCO of SMART COMMUNICATIONS informing the latter that HOTTONE/S, HOTLOG/S and HOTPIC/S are the trademarks/service marks of INFORMATION GATEWAY, INC., which are in the process of registration with the Intellectual Property Office. A copy of the letter dated April 12, 2004 is hereto appended to form an integral part hereof as Exhibits "B-4".
5. On September 24, 2004, Opposer filed another trademark application for HOTTONE under Application No. 4-2004-008918 and HOTLOGO under Application No. 4-2004-008917 for brand for wireless services or wireless portal, keyword used in wireless application under Class 38 as a natural expansion of its earlier application for computer software. A copy of the Trademark Application No. 4-2004-0009918 and 4-2004-008917 for HOTTONES and HOTLOGO are hereto appended to form an integral part hereof as Exhibits "B-5".
6. Unknown to the Opposer, Respondent-Applicant on July 30, 2004 filled applications HOT TONES & DEVICE which are the subject of these Oppositions.
7. Opposer came to know of such trademark applications when the same was cited during the examination of its Trademark Applications No. 4-2004-008918 for HOTTONE.
8. Section 123.1 of Republic Act No. 8293 and Rule 101 of the Trademark Regulations on Registrability of Trademarks provides thus:

"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 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;"

9. Moreover, the registrations of the subject marks would prevent *natural expansion* of Opposer's earlier filed applications for registration of the marks HOTTONES for computer software to a directly related telecommunications service for wireless services/applications.

On 23 February 2007, respondent-registrant/opposer IGI filed an opposition to the application filed by Petitioner/respondent -applicant ZED for the registration of the mark HOTPICS & DEVICE and relied on the following grounds:

1. On January 7, 2004 Opposer filed a trademark application for HOT PIC under Application No. 4-2004-000117 for computer software, a copy of which is hereto appended to form an integral part hereof as Exhibit "B-1".
2. As early as August 17, 2006, Opposer has published HOT PIC/S together with HOT LOGO/S and HOT TONE/S as its brand for wireless services as evidenced by the August 17, 2003 issue of THE PHILIPPINE STAR, copy of which is hereto attached as Exhibit "B-2"

3. On January 14, 2004, Opposer filed its Declaration of Actual Use of the mark for all wireless applications, a copy of which is hereto appended to form an integral part hereof as Exhibit "B-3".
4. On April 7, 2004, Respondent-applicant's advertisement on page G-1 of the LIFESTYLE SECTION of THE PHILIPPINE STAR showing a similar if not totally the same mark of the applicant caught the attention of the opposer. Hence, opposer was then constrained to send a letter date April 12, 2004 to MS. CAREN TIANGCO of SMART COMMUNICATIONS informing the latter that HOTLOGO/S, HOTTONEIS and HOTPIC/S are the trademarks/service marks of INFORMATION GATEWAY, INC., which are in the process of registration with the Intellectual Property Office. A copy of the letter dated April 12, 2004 is hereto appended to form an integral part hereof as Exhibit "B-4".
5. On September 24, 2004, Opposer filed another trademark application for HOTPIC under Application No. 4-2004-008916 for brand for wireless services or wireless portal, keyword used in a wireless application under Class 38 as a natural expansion of its earlier application for computer software. A certified machine copy of the Trademark Application No. 4-2004-008916 for HOTPIC is hereto appended to form an integral part hereof as Exhibit "B-5".
6. 6. Unknown to the Opposer, respondent-applicant on July 30, 2004 filed an application for HOT PICS & DEVICE, which is the subject of this Opposition.
7. Opposer came to know of such trademark application when the same was cited during the examination of its Trademark Application No. 4-2004-008916 for HOTPIC.
8. Section 123.1 of R.A. No. 8293 and Rule 101 of the Trademark Regulations on Registrability of Trademarks provided, thus:

"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) It nearly resembles such a mark as to be likely to deceive or cause confusion;"

9. Moreover, the registration of the subject mark would prevent the natural expansion of Opposer's earlier filed application for registration of the mark HOT PIC for computer software to a directly related telecommunications service for wireless services/applications.

Respondent-registrant-opposer IGI submitted the in evidence the following:

Exhibits/ Annex HOT LOGO marks	Description
Exhibit "A"	Affidavit of ELIZA C. TAN
Exhibit "B"	Secretary Certificate signed by Reynaldo B. Robles
Exhibit "C"	Copy of the Certificate of Filing Amended Articles of Incorporation for Information Gateway , Inc.
Exhibit "C-1"	Copy of the Certificate of Filing of Amended By-Laws of Information Gateway , Inc.
Exhibit "C-2"	Copy of the SEC General Information Sheet for Stock Corporation of Information Gateway , Inc.
Exhibit "D" to "D-14"	Clippings of news aver advertisement.

Exhibit "E"	Certified true copy of the trademark application of HOT LOGO marks.
Exhibit "E-1" to "E-3"	Certified true copy of the Certificate of Registration of the mark HOTTONE, HOT PIC and HOTSTUFF filed b Information Gateway, Inc.,
Exhibit "F"	Certified true copy of the Declaration of Actual Use for HOT LOGO mark.
Exhibit "G"	Letter to Ms. Caren Tiangco Department Head Buddy Prepaid Usage, Smart Communication issued b Chan Robles & Associates Law Firm
Exhibit "H"	Certified true copy of the HOTLOGO trademark application filed last September 24, 2004.
Exhibits/ Annex HOTTONE marks	Description
Exhibit "A"	Copy of the Verified Notice of Opposition
Exhibit "A-1"	Secretary Certificate signed by Reynaldo B. Robles
Exhibit "B"	Affidavit of ELIZA C. TAN
Exhibit "B-1" to "B-1-C"	Certified true copies of trademarks registration application of HOT TONE, HOT LOGO, HOT PIC/S and HOT STUFF filed by Information Gateway, Inc.
Exhibit "B-2" to "B-2-M"	Newspaper / prints advertisement clippings
Exhibit "B-3"	Certified true copy of the Declaration of Actual Use for the mark HOT TONE
Exhibit "B-4"	Letter from Chan Robles & Associates Law Firm
Exhibit "B-5"	Certified true copy of the trademark application of HOTTONE marks.
Exhibit "B-6"	Certified true copy of the Certificate of Registration of the mark HOT TONE filed by Information Gateway, Inc., with Registration No. 4-2004-000116
Exhibit "B-7"	Letter for National Telecommunication Commission by Chan Robles & Associates Law Firm
Exhibit "B-8"	Letter issued by National Telecommunication Commission address to Atty. Jade Ferrer Wy of Chan Robles & Associates Law Firm
Exhibit "C"	Copy of the SEC Certificate of Filing of Amended Articles of Incorporation filed by information Gateway, Inc.
Exhibit "C-1"	Copy of the SEC Certificate of Filing of Amended Articles of Incorporation filed by information Gateway, Inc.
Exhibit "C-2"	Copy of SEC Certificate of Filing Amended By-Laws of Information Gateway, Inc.
Exhibit "C-3"	Copy of the SEC Cover Sheet of the General Information Sheet

EXHIBITS
(HOTTONES & DEVICE;
HOTPICS & DEVICE)

DESCRIPTION

"A" and "A-1"

Notice of Opposition and Secretary's Certificate

"B"-submarking

Affidavit of Eliza C. Tan

"C", "C-1", "C-2"
"C-3"

SEC Certificate of Registration Amended Articles of Incorporation & By-laws, 2005
General Information Sheet

“I”	Certificate of Registration No. 4-2004-008917 for the trademark HOTLOGO-January 8, 2007
“J”	Certificate of Registration No. 4-2004-008918 for the trademark HOTTONE-March 5, 2007
“K”	Certificate of Registration No. 4-2004-008916 for the trademark HOTPIC-March 5, 2007

In the Answers filed by petitioner/respondent-applicant ZED, except for variations in the details on the application numbers and marks depending on the application being opposed, it raised the following special and affirmative defenses:

18. The Opposer alleges that, on January 7, 2004, it filed an application for registration of the mark “HOT LOGO” under Class 9 for COMPUTER SOFTWARE (Application no. 4-2004-000115). In accordance with Section 124.2 of the Intellectual Property Code, Opposer therefore had 3 years counted from the said filing dates, or until January 7, 2007, to file a valid Declaration of Actual Use (DAU) to evidence actual commercial use of the marks for the specific goods stated therein. Section 124.2 states that:

“The applicant or the registrant shall file a declaration of actual use of the mark *with evidence to that effect*, as prescribed by the Regulations within three (3) years from the filing date of the application. *Otherwise, the application shall be refused or the mark shall be removed from the Register* by the Director.” (Emphasis supplied)

19. From the foregoing, it is evident that the DAU must not only allege actual use of the mark, but it also must allege “evidence to that effect” - meaning evidence of use in connection with the specific goods for which it was applied for. Otherwise, the Director of Trademarks is authorized to deem the application as abandoned, and to refuse the same.
20. Supposedly, in order to comply with this requirement, the Opposer alleges that, on January 14, 2004 a DAU for the mark “HOT LOGO”. However, the DAU that Opposer filed was for “all wireless applications.” It escapes the Respondent-Applicant how a DAU for “all wireless application” could be deemed use in relation to the goods “Computer Software”. Respondent-Applicant fails to see how the use in connection with wireless applications proves use in connection with computer software. It does not even seem evident that a wireless application necessarily involves the use of computer software. It is quite apparent that the DAU filed by the Opposer is a defective DAU which must not be deemed sufficient compliance with the requirements of Section 124.2 above-quoted. This being the case, the Director is constrained to consider the alleged application for registration (Application No. 4-2004-000115), as having been abandoned for failure to file a valid DAU.

20.1 Wireless application is of different nature and function as computer software. In fact, the manner of use and trade channels are completely different. Software is not an alternative product for wireless applications, and vice versa. They are not even synonymous, nor does one imply the other, and vice versa. The segmentation of technology, products and marketing is such that wireless applications cannot be considered a natural expansion of software.

21. It should be noted that the Opposer’s deadline to file a valid DAU expired last January 07, 2007. Opposer may therefore no longer rectify this defective DAU.
22. Opposer attempts to justify its weak position by claiming that the wireless applications are “*directly related*” to computer software as being within the field of natural expansion

of the latter goods. However, the alleged subsequent application filed by the Opposer, i.e. Application NO. 4-2004-008917 for the mark "HOTLOGO" for "*wireless or wireless portal, keyword used in a wireless application*" under Class 38, precisely belies this claim, and is actually an admission by the Opposer that its earlier application is insufficient to support use of the mark for wireless applications/services. Otherwise, if "*wireless applications/services*" were truly related to and within the field of natural expansion of "computer software," then the Subsequent applications (Application No. 4-2004-008917 under Class 38) would have been superfluous and unnecessary since protection of the prior application would have, the following Opposer's reasoning, extended to the Opposer's "wireless applications/services" under prevailing Philippine jurisprudence. Instead, Opposer filed its subsequent Class 38 application to evidently rectify and strengthen its inherently weak position.

23. Opposer apparently filed its subsequent application as an afterthought to directly attack the Respondent-Applicant's application, and only as a reaction to the filing of the said application by Respondent-Applicant marks for Class 38 services on the basis of its alleged earlier (but unrelated) Class 9 application for "computer software" and of its alleged similar (but subsequent) Class 38 application for "wireless services/application."
24. Moreover, Opposer is not even clear as to its date of first use. It alleges three different dates in its pleading (see pars. 5, 6 and 13 above), the earliest being August 17, 2003, in connection with its brand for wireless service, as evidenced by a newspaper clipping of the same date (Exhibits "0" and "B-2" of the Opposition).
25. Even assuming arguendo the truth of such an allegation, the superiority of the Respondent-Applicant's right over the said mark becomes more evident because Respondent-Applicant was already using the mark on the said date, and even as early as March 30, 2003, as evidenced by the newspaper clippings-advertisements of the Respondent-Applicant with the Philippine Daily Inquirer and the Manila Bulletin, which are herein attached as Exhibits "2" and "3", so as to form an integral part hereof.
26. Obviously, seeing the success and the goodwill built up by the Respondent-Applicant for the mark "HOTLOGOS" in connection with its wireless services, Opposer decided to appropriate the same, by subsequently using the mark in connection with its own advertisements, thereby confusing the consuming public as to the source and ownership of the said marks.
27. From the foregoing, it is quite clear that it is the Opposer who has unduly appropriated the marks of the Respondent-Applicant, and who has done so in order to ride on the popularity and success of the said mark of the Respondent-Applicant. Contrary to his protestations, it is the Opposer, in fact, who has caused dilution of business and services, and loss of goodwill which the Respondent-Applicant has built up using the mark "HOTLOGO".
28. It is apparent that, with respect to services under Class 38, it is Respondent-Applicant who has a superior right over the mark "HOTLOGOS" because of its earlier application and of its earlier use. Respondent-Applicant had used and perfected its right over the said marks earlier than Opposer, and it is Opposer which seeks to unduly appropriate the marks of the Respondent-Applicant.
29. In compliance with the requirements of Office Order No. 79, Series of 2005, the affidavit of Respondent-Applicant's Finance Director, Mr. Numeriano Sison, together with Respondent-Applicant's other documentary evidence are hereto attached as Exhibit "1" so as to form an integral part hereof, to evidence Respondent-Applicant's superior rights over the mark "HOTLOGOS & DEVICE".

In support of its defense, petitioner/respondent-applicant ZED submitted in IPC case no. 14-2006-00091 (for the contested mark HOTLOGOS & DEVICE) the following exhibit, to wit:

EXHIBIT	DESCRIPTION
“1”	Affidavit of Numeriano Sison
“2”-“3”	Clipping from Manila Bulletin and Philippine Daily Inquirer dated March 30, 2003
“4”-“16”	Newspaper clippings, advertisements invariably dated from April 2, 2003, to May 8, 2003 to June 12, 2003, brochures and an e-mail
“17”	Trademark Application form for HOTLOGOS

Petitioner/respondent-applicant ZED likewise filed the same set of exhibits in the other opposition cases, exhibits “2-16” in photocopies. Copies of trademark applications for HOTPICS and HOTTONES were submitted in the other opposition cases. During the pendency of the opposition cases, respondent-registrant/opposer IGI was granted registrations for the marks HOTLOGO, HOTTONE and HOTPIC for class 38.

Petitioner/respondent-applicant ZED raised the following grounds in the petition for cancellation for the mark HOTPIC:

1. The registration of the subject mark violates Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (the “Code”), which provides as follows:

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

xxx xxx 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;

xxx xxx xxx” (Emphasis supplied)

2. Respondent is not the owner of, and therefore, is not entitled to the registration of the trademark “HOTPIC” for services falling under Class 38, and the registration of the mark in question violates petitioner’s right to its trademark “HOTPICS & DEVICE” under Application No. 4-2004-006802, for “Weekly subscription service where users receive 2 SMS lists per week, featuring zed’s NEW and TOP Nokia operator picture message separately” under Class 38, and the right to extend the use thereof to the other goods related thereto;
3. Respondent’s mark “HOTPIC” is identical and/or confusingly similar to the trademark of the petitioner, and respondent’s use thereof is intended to ride on the popularity and goodwill of the petitioner’s mark and to confuse, deceive and/or mislead the purchasing public into believing that respondent’s services are the same as, or connected with, the services offered by the petitioner, or that the source of the service is that of the petitioner,

either of which results in damage and/or prejudice to the interest of both the public and the petitioner;

4. Further, the registration of the mark in question in the name of respondent necessarily results in the dilution of the mark of the petitioner and results in further damage to the proprietary rights and interests of the petitioner on its marks which, under the prevailing laws are supposed and required to be protected.
5. The registration of the mark in question therefore has caused, and will continue to cause great and irreparable damage and injury to herein petitioner.

The same grounds were raised in the other cancellation cases filed by the petitioner/respondent-applicant ZED for the marks HOTLOGOS and HOTTONES. Petitioner/respondent-applicant ZED submitted the following evidence in support of its petition:

EXHIBIT	DESCRIPTION
"A"	Affidavit of Numeriano Sison
"B"	Secretary's Certificate
"C"	Photocopy of trademark application for HOTPICS & DEVICE by Sonera Zed Philippines, Inc.
"D"	Photocopy of trademark application for HOTPIC by Information Gateway, Inc.
"E"- "F"	Photocopy of newspaper clippings
"G"	Photocopy of DAU
"H"- "Q"- "R"	Photocopy of newspaper clippings, advertising Materials

The same set of exhibits was presented in the two other cancellation cases except for Exhibits "C" and "0". Photocopies of the trademark application for the marks HOTLOGO & DEVICE and HOTTONES & DEVICE filed by Sonera Zed Philippines, Inc. were submitted as Exhibit "C" and photocopies of trademark applications for the mark HOTLOGO and HOTTONE by Information Gateway, Inc. were submitted as Exhibit "0" in IPC case no. 14-2007-00302 and IPC Case no. 4-2004-00303.

In the Answer filed by respondent-registrant/opposer IGI in IPC Case No. 00301 involving the mark HOTPIC, it raised special affirmative defenses:

"Petitioner has no valid and legal ground to have the subject registration cancelled.

Under Section 122 of the Intellectual Property Code, trademark rights are acquired through registration made validly in accordance with the provisions of this law. Also, Section 147 of the Intellectual Property Code states that "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 or containers 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."

In the instant case, the Respondent-Registrant has the exclusive right to use the trademark HOT PIC or any mark confusingly similar thereto, based on its Registration No. 4-

2004-000117 for the trademark HOT PIC. The application for Registration No. 4-2004-000117 was filed on January 7, 2004, more than 6 months before Application No. 4-2004-006802 for the trademark HOTPICS & DEVICE in the name of Sonera Zed Philippines, Inc., cited by the Petitioner as a basis for its Petition for Cancellation, was filed on July 30, 2004.

Registration No. 4-2004-000117 covers the goods "computer software" under Class 9 which, although belonging to a different class, are related to the services "*weekly subscription service where users receive 2 sms lists per week, featuring zed's NEW and TOP Nokia operator logos separately*" in Class 38 covered by Application No. 4-2004-006802 because these services also involve the use, distribution and sale of "computer software."

The same line of argument was raised in the two other petitions for cancellation. It submitted the Affidavit -direct testimony of Ms. Eliza C. Tan as Exhibit "1" and a print-out of the on-line data base of the Securities and Exchange Commission as Exhibit "2".

The inter partes cases were all set for pre-trial conference but no amicable settlement was reached by the parties so the Bureau directed the parties to submit their respective position papers.

The issues for consideration are whether the prior registration of the marks under class 9 by the respondent-registrant-opposer IGI conveys ownership of the marks on it and consequently bars registration by the petitioner-respondent-applicant ZED of similar marks under class 38. Corollary is whether category of class 9 (computer software) is related to class 38 (communication/wireless applications). Essentially, the issue is who between the parties has ownership of the marks and consequently entitled to register the marks: hotlogos, hotpics, and hottones for class 38. Respondent-registrant, opposer IGI also raises the issue of whether advertisements are the same as actual use in commerce.

The Intellectual Property Code states:

"SECTION 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 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"

Evidence show that respondent-registrant/opposer IG I filed its oppositions against petitioner/respondent-applicant ZED's applications for marks under class 38 filed on August 2, 2004 and July 30, 2004. Filewrapper shows that the filing date for the application for HOTLOGOS & DEVICE for class 38 specifically: "Weekly subscription service where users receive 2 SMS lists per week, featuring ZED's new and top nokia operator logos separately" is on August 2, 2004. The filing date for the application for the mark HOTTONES for class 38 specifically: "weekly subscription service where users receive 2 SMS lists per week, featuring ZED's new and top nokia monophonic ringtones separately" is on July 30, 2004. The filing date for the application for the mark HOTPICS & DEVICE for class 38, specifically: "weekly subscription service where users receive 2 SMS lists per week, featuring ZED's new and top nokia picture messages separately" is on August 30, 2004.

It appears that during this time, respondent-registrant/opposer IGI had filed Application No. 4-2004-00015 for the mark HOTLOGO with a filing date of January 7, 2004 for class 9 (computer services). (Exhibit "E") Respondent-registrant IGI also obtained

Certificate of Registration No 4-2004-000116 dated July 1, 2005 with a filing date of January 7, 2004 for the mark HOTTONE for class 9 namely: "computer software". (Exhibit "E"-1). It also obtained Certificate of Registration No 4-2004-000117 dated July 1, 2005 with a filing date of January 7, 2004 for the mark HOTPIC for class 9 namely: "computer software". (Exhibit "E"-2). It was on September 24, 2004, that respondent-registrant/opposer IGI filed a new application for the mark HOTLOGO for goods under class 38, covering "wireless service or wireless portal, keyword used in a wireless application". (Exhibit "H").

Respondent-registrant/opposer IGI argues that it has ownership and the exclusive right to the marks for the reason that it is the prior user of the mark under class 9 for computer services. It asserts that since it already has subsisting registrations for HOTLOGOS, HOTTONES and HOTPICS under class 9 (computer services), coupled with use of the marks since 2003, petitioner/respondent-applicant can no longer register for other related classes particularly class 38.

In this respect, the bone of contention is whether class 9 which according to the Nice Classification includes "scientific, nautical surveying and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life saving and teaching apparatus and instruments; coin or counter-freed apparatus, talking machines, cash registers, calculating machines, fire-extinguishing apparatus" for which respondent-registrant/opposer IGI registered its marks for computer services is related to class 38 which according to the Nice classification of business or service include "communication" and which petitioner/respondent-registrant ZED applied its marks for 'Weekly subscription service where users receive 2 SMS lists per week, featuring ZED's new and top nokia operator logos, ringtones and picture messages separately'.

The Bureau is of the opinion that classes 9 and 38 are not related. The purpose and their characteristics are different. One is a service, specifically communication while the other is computer software. In the case of Esso Standard Eastern v. CA (116 SCRA 336), the Supreme Court held:

"Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form composition, texture, or quality. They may also be related because they serve the same purpose xxx"

The Supreme Court laid down pointers in determining whether goods are related in *Mighty Corporation and La Campana Fabrica de Tabaco, Inc., v. E. & J. Gallo Winery and the Andersons Group, Inc.*, G.R. No. 154342, July 14, 2004.

"In resolving whether goods are related, several factors come into play:

- (a) the business (and its location) to which the goods belong
- (b) the class of product to which the goods belong
- (c) the product's quality, quantity, or size, including the nature of the, package, wrapper or container
- (d) the nature and cost of the articles
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
- (f) the purpose of the goods
- (g) whether the article is bought for immediate consumption, 100 that is, day-to-day household items
- (h) the fields of manufacture
- (i) the conditions under which the article is usually purchased and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.

Respondent-registrant-opposer IGI quotes Merriam -Webster's Online dictionary, in defining "software" as "something used or associated with and usually contrasted with hardware as a) the entire set of programs, procedures, and related documentation associated with a system and especially a computer system; specifically: computer programs b) materials for use with audio visual equipment. Respondent-registrant-opposer IGI anticipates from its opponent the argument that computer software is only used for computers and not for cellular phones for which the wireless applications for communication is used. So it argues that the definition of a computer is "one that computes; specifically: a programmable usually electronic device that can store, retrieve and process data. And since a cellular phone is a programmable device, that can store and process, a cellphone can be considered a computer.

The argument is flawed. Clearly, the service for which petitioner/respondent-applicant ZED applied for is "communication" under class 38. Precisely so that petitioner/respondent-applicant ZED's product is a wireless application by which SMS logos, ringtones or pictures are received by a subscriber. Its product is not a basic computer software. It does not sell or rent computer software.

Wikipedia Encyclopedia defines computer software as a general term used to describe a collection of computer programs, procedures and documentation that perform some tasks on a computer system.

The term includes:

- Application software such as word processors which perform productive tasks for users.
- Firmware which is software programmed resident to electrically programmable memory devices on board mainboards or other types of integrated hardware carriers.
- Middleware which controls and co-ordinates distributed systems.
- System software such as operating systems, which interface with hardware to provide the necessary services for application software. xxx

Software includes websites, programs, video games, etc. that are coded by programming languages like C, C++, etc."

On the other hand, Wikipedia defines wireless application protocol (WAP) "an open internal standard for application layer network communications in a wireless communication environment. Its main use is to enable access to the mobile web from a mobile phone or PDA. Therefore, it is apparent that petitioner/respondent-applicant ZED's service is for telecommunication which is far different from computer software. While software can be used as operating systems or in games or websites and programs it cannot be likened to a service being sold by petitioner/respondent-applicant ZED which usually involves mobile phones. That there is a difference between computer software under class 9 and class 38 is bolstered by the fact that respondent-registrant/opposer IGI also filed applications for class 38 (Hotlogos-Exhibit "H") for HOTLOGOS, HOTTONES and HOTPICS on 24 September 2004 despite its class 9 registrations perhaps after realizing the inadequacy of its earlier registration under class 9 for the subscription services it advertises. These applications were filed after the petitioner/respondent-applicant ZED's already filed earlier applications for the marks under class 38 on July 30, 2004 and August 2, 2004

In conclusion, there is a difference between class 9 and class 38. Hence, inspite of Respondent-registrant/opposer's class 9 registrations, petitioner/respondent-applicant can adopt the mark for services under class 38. The Supreme Court acknowledged the restricted rights to a

trademark in the case of Philippine Refining Co., Inc. v. Ng Sam [G.R. No. L-26676. July 30, 1982.], where it held:

“A rudimentary precept in trademark protection is that “the right to a trademark is a limited one, in the sense that others may use the same mark on unrelated goods (Sec. 221, Nims, Unfair Competition and Trade Mark, Vol. 1, p. 657). Thus, as pronounced by the United States Supreme Court in the case of American Foundries v. Robertson (269 US 372, 381, 70 Led 317,46 Sct. 160), “the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description.” Such restricted right over a trademark is likewise reflected in our Trademark Law. Under Section 4(d) of the law, registration of a trademark which so resembles another already registered or in use should be denied, where to allow such registration could likely result in confusion, mistake or deception to the consumers. Conversely, where no confusion is likely to arise, registration of a similar or even identical mark may be allowed.”

Applying the law, it is now apparent that it is petitioner/respondent-applicant ZED who has an earlier filing date in respect of class 38 and prior use of the contested marks HOTLOGO, HOTTONE and HOTPICS therefore, respondent-registrant/opposer IGI's later applications for the same marks also under class 38 should be barred.

SECTION 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 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;

Proceeding from the foregoing, respondent-registrant/opposer IGI's later applications under class 38 which ripened into registrations namely: Certificate of Registration 4-2004-008917 for HOTLOGO (Exhibit “I”); Certificate of Registration 4-2004-008917 for HOTTONE (Exhibit “J”) and Certificate of Registration 4-2004-008916 for HOTPIC (Exhibit “K”) should be cancelled in view of the clear and categorical wording of Section 123.1 (d) of the law.

Respondent-registrant/opposer IGI's assertion that it is the prior user, hence owner of the marks is also belied by the records. Evidence show that respondent-registrant/opposer IGI's first use is on August 17, 2003. HOTTONE, HOTLOGO and HOTPIC are written on the subscription command of a SMART advertisements in the newspaper, The Philippine Star. (Exhibit “D”). The next advertisements appear in the tabloid Bandera on November 28, 2003 with a succession of other advertisements. On the other hand, petitioner/respondent-applicant ZED's first advertisement for the marks HOTLOGO, HOTTONE and HOTPIC on March 30,2003 in the newspapers, Philippine Daily Inquirer (Exhibit “2”) and Manila Bulletin (Exhibit “3”) ante dates that of respondent-registrant oppose IGI's advertisement.

Respondent-registrant/opposer IGI questions whether, newspaper clippings are sufficient evidence of use. It should be noted that petitioner/respondent-applicant ZED's applications for registration are for communication services. A perusal of the newspaper clipping show that the marks are the words to be key in or typed and sent to receive the subscription service. These consistently appear in all the newspaper clippings which form Exhibits “2” to “14”. On the contrary, the Bureau finds this adequate proof of commercial use of the marks in connection with business of telecommunication by petitioner/respondent-applicant ZED ahead of the respondent-registrant/opposer IGI. Petitioner/respondent-applicant ZED being the first to file an application for the marks under class 38, and ably establishing that it is the first to use the marks for “communication” or wireless applications, it is deemed the owner of the marks HOTLOGO, HOTTONE and HOTPIC in connection with class 38. Consequently, the registrations issued to

respondent-registrant/opposer from applications with later filing dates must necessarily be cancelled.

Respondent-registrant /opposer IGI points out that the evidence in the cases were merely photocopies and therefore contrary to Sec. 7.1 of the Rules on Inter Partes proceedings which required originals or certified true copies. Petitioner/respondent-applicant satisfactorily explained that the Bureau did not allow it to take copies of the originals filed in an earlier case. Be that as it may, the consolidation of the cases due to the similarity of issues and parties involved allowed the Bureau to examine the originals submitted in one of the consolidated cases, IPC Case No. 14-2006-00091 as basis for the conclusion reached in the instant case.

Finally, respondent-registrant/opposer IG I states that the petitions for cancellation should have been dismissed outright because the petitioner/respondent-applicant failed to allege and prove its corporate existence and that it is the same entity as Sonera Zed Philippines, Inc. which filed the applications. A mere perusal of the filewrappers show that the amended articles of incorporation show the change of name to Zed Philippines, Inc... Thus, it has the legal capacity to act and to file the instant petition.

WHEREFORE, premises considered the instant PETITIONS FOR CANCELLATION filed by Zed Philippines, Inc. are hereby GRANTED. Accordingly, Registration Nos. 4-2004-008917 for the mark HOTLOGO; registered on 8 January 2007; Registration 4- 2004-008918 for the mark HOTTONE, and Registration No. 4-2004-008916 for the mark HOTPIC, all under class 38 issued in the name of Information Gateway, Inc, are hereby CANCELLED.

On the other hand, the OPPOSITIONS filed by Information Gateway, Inc. are, as they are hereby, DENIED. Accordingly, Application Serial Nos. 4-2007-00040, 14-2007-00047, 14-2006-00091 for the registration of the marks "HOTTONES & DEVICE", "HOTPICS & DEVICE" and "HOTLOGOS & DEVICE" respectively covering Class 38, namely filed by Zed Philippines, Inc. are, as they are hereby, given DUE COURSE.

Let the filewrapper of "HOTLOGOS & DEVICE", "HOTTONES & DEVICE", "HOTPICS & DEVICE" "HOTLOGO", "HOTTONE", "HOTPIC" 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, 30 July 2009.

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