ZINO DAVIDOFF SA,	}	Inter Partes Case No. 14-2003-00011
Opposer	}	Opposition to:
	}	
-versus-	}	Application Serial No. 108878
	}	Date Filed: June 11, 1996
	}	Trademark: "RELAX"
LAM SOON (M) BERHAD,	}	
Respondent-Applicant	}	
x----------x		Decision No. 2006-13

DECISION

This is an Opposition filed by the herein Opposer ZINO DAVIDOFF SA, a corporation duly organized and existing under the laws of Switzerland, with principal business address at Route des Arsenax 15, CH-1700 Fribourg, Switzerland against the application for registration of the mark "RELAX" used for soaps, perfumeries, non-medicated bath preparations, shower gel, shampoos, essential oils, cosmetics namely hand and body lotions, facial cleanser and lipstick under Serial No. 108878 and filed on June 11, 1996 by the herein Respondent-Applicant, Lam Soon (M) Berhad, a corporation organized and existing under Malaysian laws, with address at Petaling Jaya Selangor Darul Ehsan, Malaysia. The trademark application was published for opposition on page 14, Volume V, No. 13 issue of the Intellectual Property Office Official Gazette officially released for circulation on January 8, 2003.

The grounds for opposition are as follows:

"1). Opposer is the owner of the internationally well-known trademark "DAVIDOFF RELAX", which is the subject of a trademark registration in the Philippines bearing Registration No. 90310 covering International Class 3. Initially, the Certificate of Registration issued by the Intellectual Property Office (IPO) erroneously indicated that the registration covered International Class 25. Opposer already requested the IPO for a correction thereof to indicate International Class 3.

"2). Opposer's trademark "DAVIDOFF RELAX" covers the following goods: soaps, particularly toilet soaps, perfumery, essential oils, cosmetics, particularly toilet water, shaving cream, pershaving cream, after shaves, hair lotions, dentifrices, moisturizing concentrates, moisturizing concentrates for the body.

"3). The Opposer was the first to adopt, use and register the trademark "DAVIDOFF RELAX" in actual trade and commerce in the Philippines and in other jurisdictions, even before the filing of Respondent-Applicant's trademark application. Since then, the mark created and adopted by the Opposer has become internationally well-known and has acquired worldwide goodwill now being capitalized with undue advantage by Respondent-Applicant.

"4). Registration of the mark "RELAX" in the name of Respondent-Applicant would violate the pertinent provision of Republic Act No. 8293 (Intellectual Property Code), hereunder quoted as follows:

"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:

1) The same goods or services, or
2) Closely related goods or services, or
3) If it nearly resembles such a mark as to be likely to deceive or cause confusion,

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

Although the Opposer's trademark registration in the Philippines consists of a composite mark, i.e., "DAVIDOFF RELAX", while Respondent-Applicant's mark consists of only one (1) word, i.e., "RELAX", there is still confusing similarity since the word "RELAX" is a prominent feature in Opposer's trademark "DAVIDOFF RELAX". The fact that applicant's mark "RELAX" is for the same Class 3 and for similar or related goods to the goods covered by Opposer's registered mark heightens, if not establishes the confusion that will arise if applicant's mark is allowed.

In any event, the existence of the Opposer's trademark registration in the Philippines for the mark "DAVIDOFF RELAX" which covers the same class of goods as Respondent-Applicant's and also the Opposer's existing registrations and applications for the mark "DAVIDOFF RELAX" in various registrations throughout the world, also preclude the Respondent-Applicant from appropriating and registering the same in its name.

"5). Moreover, both the Opposer and Respondent-Applicant's trademarks cover the same class of goods. This would likely confuse, deceive and mislead consumers into believing that Respondent-Applicant's respective business and products as well as dilution and loss of distinctiveness of Opposer's trademarks are inevitable.

"6. Opposer's trademark "DAVIDOFF RELAX" should be afforded the protection under the law given to internationally-known trademarks and, therefore, should be given preference and priority over and against Respondent-Applicant's mark "RELAX" which is confusingly similar to Opposer's well-known trademark.

"7). Opposer's trademark has acquired tremendous goodwill in the Philippines and throughout the world. Obviously, Respondent-Applicant is merely riding on the popularity and goodwill of Opposer's trademarks. Thus, Opposer's rights under the provisions of the IP Code and the Paris Convention on the Protection of Industrial Property must be protected.

On July 28, 2003, Opposer filed a Motion to Declare Respondent-Applicant in Default for Failure to file an Answer within the reglementary period which was GRANTED by this Office under Order No. 2003-321 dated August 1, 2003.

Pursuant to the Order of Default, Opposer presented its evidence ex-parte consisting of Exhibits “A” to “D” inclusive of sub-markings which was duly admitted by this Office per Order No. 2003-403 dated October 9, 2003.

Records further show that in all communications issued by this Office and in the pleadings filed by the Opposer, it appears that the Respondent-Applicant is L’OREAL however, in the Notice of Verified Opposition filed by the Opposer dated March 31, 2003, the Respondent-Applicant appears to be in the name of LAM SOON (M) BERHAD.

Upon verification from the IPO Official Gazette released on January 8, 2003, it appears on page 14 thereof that the Respondent-Applicant is not L’OREAL but LAM SOON (M) BERHAD as it also appears in the filewrapper of the trademark RELAX.

In view thereof, this Office issued Order No. 2005-106 dated February 18, 2005, correcting the error committed in the designation of the proper party and issuing the corresponding Notice to Answer to LAM SOON (M) BERHAD.

To date, however, no answer nor motion or any pleading relative thereto has been filed by Respondent-Applicant.

THE MAIN ISSUE TO BE RESOLVED IN THIS CASE IS WHETHER THE RESPONDENT-APPLICANT’S APPLICATION FOR REGISTRATION OF THE MARK “RELAX” SHOULD BE DENIED.

It should be noted that the trademark application being opposed was filed on June 11, 1996 or during the effectivity of the old Trademark Law (R.A. 166, as amended). Thus, the applicable provision of law in resolving the issue involved is Section 4(d) of R.A. No. 166, as amended which provides:

> “Sec.4. Registration of trademarks, tradenames and service marks on the principal register. There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register.
>
> The owner of the trademark, tradename, or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:
>
> x x x
>
> (d) Consist of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename 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 services of the applicant, to cause confusion or mistake or to deceive purchasers.”

The vital point to be taken into consideration in this particular case, is the fact that the herein Opposer’s mark consisting of only the word “RELAX” has been registered and applied for its registration in many countries of the world, the earliest of which is in Denmark in year 1969 and Benelux in 1992 and in its country of origin, Switzerland in the year 1992. (Exhibit “C”)

It is further observed that Opposer’s mark “DAVIDOFF RELAX” which was likewise registered and applied for its registration in various countries of the world including the

Philippines is a composite one, which actually includes the word “DAVIDOFF” the herein Opposer’s name (Exhibit “B”). As shown in the manner of display of the Opposer’s mark, the word “DAVIDOFF” is written above and the word “RELAX” below separately and independently from each other (Exhibit “D”) of which in totality, deserves to be protected.

A visual comparison of the parties’ trademarks reveal that the Opposer’s mark consists of the words “DAVIDOFF” and “RELAX” while the Respondent-Applicant’s mark consists of the word “RELAX”.

The Supreme Court in the case of Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, et.al., G.R. No. L-23035, July 31, 1975, has stated that:

> “In cases involving infringement of trademarks, it has been held that there is infringement when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; that whether or not a trademark causes confusion and 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; and that duplication or imitation is not necessary, a similarity of the dominant features of the trademark would be sufficient.”

In this case, both trademarks of Opposer and Respondent-Applicant contain the same word “RELAX”. Although the Opposer’s trademark registration in the Philippines consists of a composite mark “DAVIDOFF RELAX” while the Respondent-Applicant’s marks consists of only one (1) word “RELAX”, it is still likely to cause confusion since the word “RELAX” is a prominent feature in Opposer’s trademark “DAVIDOFF RELAX”. Moreover, the word “RELAX” alone has been registered and applied for its registration by the Opposer in various countries of the world as previously stated. Furthermore, both the Opposer and Respondent-Applicant’s trademarks cover similar or related goods falling under Class 3.

It should also be emphasized that the trademark “DAVIDOFF RELAX” of the herein Opposer has been registered with the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) under Certificate of Registration No. 90510 issued on January 18, 1994 covering the goods under International Class 3 which was very much earlier than the filing date of the Respondent-Applicant which is June 11, 1996.

In this regard, the Supreme Court held that:

> “When one applied for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark. This is not only to avoid confusion on the part of the public, but also to protect an already used and registered mark and an established goodwill. (Chuan Choy Soy and Canning Co. vs. Director of Patents and Villapanta, 108 Phil. 833, 836)”

Admittedly, no producer or manufacturer may have a monopoly of any color scheme or form of words in a label. But when a competitor adopts a distinctive or dominant mark or feature of another’s trademark and with it, makes use of the same color ensemble, employs similar words written in a style, type and size of lettering almost identical with those found in the other trademark, the intent to pass to the public his product as that of the other is quite obvious.

As shown by the records and the evidence, Opposer's mark "RELAX" and that of the Respondent-Applicant "RELAX" is practically identical to each other both in spelling, pronunciation and meaning as well.

It must likewise noted that Respondent-Applicant was declared in default in accordance with the Rules and Regulation on Inter Partes Proceedings and the Rules of Court for failure to file an Answer within the reglementary period under Order No. 2003-231 dated August 1, 2003.

In this regard, it was held by the Supreme Court in the case of Del Bros Hotel Corporation vs. Intermediate Appellate Court, 159 SCRA 533, 543, that:

> "Fundamentally, default orders are taken on the legal presumption that in failing to file an Answer, the defendant does not oppose the allegations and relief demanded in the complaint."

Indeed, this Office cannot but notice the lack of concern the Respondent-Applicant had shown in protecting its mark which is contrary to the norm that: A person takes ordinary care of his concern. (Sec. 3 (d), Rules 131 of the Rules of Court)

WHEREFORE, premises considered, the Opposition is, as it is hereby, SUSTAINED. Consequently, trademark application bearing Serial No. 108878 filed on June 11, 1996 by LAM SOON (M) BERHAD for the mark "RELAX" is hereby REJECTED.

Let the filewrapper of the trademark "RELAX" subject matter under consideration be forwarded to the Administrative, Financial and Human Resource Development Services Bureau (AFHRDSB) for appropriate action in accordance with this Order with a copy to be furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 22 March 2006.

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