

ZINO DAVIDOFF S.A.,	}	IPC No. 14-2006-00157
<i>Opposer,</i>	}	Opposition to:
	}	
-versus-	}	Serial No. : 4-2005-002277
	}	Filed : 09 March 2005
	}	Trademark: "COOL WATER"
CHANDER CHANDNANI,	}	
<i>Respondent-Applicant.</i>	}	
x-----x	}	Dec. No. <u>2007-35</u>

## DECISION

Before this Bureau is an Opposition filed by ZINO DAVIDOFF S.A., a corporation duly organized and existing under and by virtue of the laws of the State of California, with its principal offices located at 18354 Ventura Boulevard, Los Angeles, California, U.S.A., against the application for registration of the trademark COOL WATER for Classes 24 and 25 with Application Serial No. 4-2005-002277 and filed on 09 March 2005 in the name of CHANDER CHANDNANI.

The grounds for the opposition to the application for registration of the trademark COOL WATER are as follows:

"1. Opposer is the owner of the trademark Cool Water and it is used on various products such as fragrance, perfumery, t-shirts, towels, watches, etc. The Opposer has also used the trademark Cool Water for various goods in international class 24 and 25, the same class of goods covered by Application No. 42005002277.

"2. Opposer coined the mark Cool Water in the year 1988 and first used it in the international market in 1989 to cover a product line of perfumery and cosmetics. Since then, the trademark Cool Water has been registered all over the world as a wordmark, as a device mark and/or together with the housemark DAVIDOFF for use of different goods including those falling under Class No. 24 and No. 25. Hence, the trademark Cool Water is protected property of the Opposer. To date, there is a total of 654 applications and registrations of the mark in the name of the Opposer.

"3. Within a few years after the first introduction of the Opposer's products, the mark Cool Water achieved international popularity and recognition so much so that it is ranked among the world's best selling perfumes. As in fact, the total net sales of Cool Water fragrances worldwide for the years 1998 to 2005 amount to about US \$ 1.4 Billion, including net sales in excess of US \$ 165,000,000.00 each of the years from 1998 to 2005. The Opposer spends substantially on advertising and promoting the trademark Cool Water. For the years 2000 to 2005, the Opposer has spent approximately US \$ 120,000,000.00 on advertisements and promotional expenses.

"4. The mark Cool Water is registered in the Opposer's name in the Philippines under Registration Nos. 42002000844 and 41991075793 (together with the housemark Davidoff).

“5. The trademark applied for registration by respondent-applicant so resembles and is in fact identical to, the Cool Water mark of the Opposer that the use of the respondent-applicant’s aforementioned mark on his goods will very likely cause confusion or mistake, or will deceive the purchaser thereof, such that the public may be led to believe that the mark of the respondent-applicant and the goods on which respondent-applicant’s mark are used are those of the Opposer herein.

“6. The mark Cool Water is, and ever since its adoption, has been continuously applied to products of Opposer, to the package and containers of said products and to the labels affixed to said packages and containers. The mark Cool Water has come to be and now is popularly known throughout the world and is of great value to the Opposer herein. Said mark identifies and designates the products to which it is applied as coming exclusively from Opposer and distinguishes such products from the products of others.

“7. The Opposer herein believes that the registration of the mark Cool Water in the name of the respondent-applicant will cause great and irreparable injury and damage to herein Opposer.

Opposer relied on the following facts to support its contentions in this Opposition:

“1. That the mark Cool Water applied for by the respondent-applicant, closely resembles – and is actually, identical to – Opposer’s aforementioned Cool Water mark, as actually used on the goods of Opposer herein. The exact likeness of trademark sought to be registered by the respondent-applicant to the mark of the Opposer will cause confusion and mistake and thus, induce the buying public to believe that the products bearing the mark of the respondent-applicant are manufactured by herein Opposer.

“2. Section 123.1 (d) of the Intellectual Property Code prohibits the registration of a mark that 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.

“3. Aside from this, the Opposer’s aforementioned trademark, which has been continuously in use in the Philippines and abroad since its adoption, has already acquired a considerable amount of goodwill through long and continued use thereof.

“4. As a matter of fact, the Cool Water mark is registered in Opposer’s name not only in the Philippines, but also all over the world.

“5. This Honorable Office may even take judicial notice of the fact that the Cool Water mark has enjoyed enduring popularity in the Philippines for almost a decade now. Needless to say, this more than qualifies the mark to be well-known marks as the term is defined in Subsection 123.1 (e). Given the foregoing, Application Serial No. 42005002277 should not be given due course in accordance with:

- a. Article 6bis and 8 of the Paris Convention for the Protection of Industrial Property of which both Switzerland and the Philippines are signatories; and
- b. Article 147.2 of the Intellectual Property Code which states that the exclusive right of the owner of a well-known mark defined in Subsection 123.1 (e) which is registered in the Philippines, shall extend to goods or services, which are similar to those in respect of which the mark is registered; Provided, that such use of that mark in relation to those goods or services and the owner of the registered mark: Provided further, that the interests of the owner of the registered mark are likely to be damaged by such use. In the instant case, the applicant is intending to use the subject mark on goods under Class No. 24 and No. 25, which is among the classes of goods for which the Opposer has registered the mark Cool Water in its name.

The Notice to Answer dated 07 November 2006 was sent to Respondent-Applicant directing it to file their Verified Answer within a prescribed period from receipt. For failure of Respondent to file the required Answer, the Bureau in Order No. 2007-368 declared Respondent to have waived his right to file the Verified Answer and resolved to submit the case for decision.

Considering that the case mandatorily covered by the Summary Rules under Office Order No. 79, this Bureau directed Opposer to file all evidence in original and duplicate copies, and in compliance with said Order, Opposer through Counsel filed its evidence on October 27, 2006.

In support of its prayer for the rejection of Application Serial No. 4-2005-002277 for the mark COOL WATER for use on handkerchief, t-shirt, sando, underwear, pants and other jeans wear, Opposer's evidence consisted, among others, of the Affidavit-Testimony of the President of the Board of Directors of Zino Davidoff SA; List of trademark registrations primarily for Class 3 of COOL WATER obtained abroad (Exhibit "1"); List of trademark registrations of COOL WATER for different classes including class 24 in different countries (Exhibit "2"); List of trademark registrations of COOL WATER for different classes including class 25 in different countries (Exhibit "3").

For consideration in particular is the propriety of Application Serial No. 4-2005-002277. Whether or not Respondent-Applicant's trademark application for COOL WATER to be used on handkerchief, t-shirt, sando, underwear, pants and other jeans wear under classes 24 & 25 should be granted registration.

The issue stems or springs from Respondent-Applicant's appropriation of the word or mark COOL WATER, which is visually and phonetically similar, in fact obviously identical to the registered COOL WATER trademark used and not abandoned by Opposer. There is striking similarity in the styles on how the labels were printed. This Bureau reproduced Opposer's mark as well as Respondent's mark for purposes of comparison:

COOL WATER

COOL WATER

*Opposer's  
COOL WATER mark  
Registration No. 42002000844*

*Respondent's  
COOL WATER mark  
Application No. 42005002277*

A comparison of the competing marks reveal that the two-word mark COOL WATER appears in both labels of the contending parties. Having shown and proven resemblance of the two marks, we now delve into the matter of ownership and priority in application which certainly has decisive effect in the adjudication of the case.

With R.A. 8293 as basis of registrability, this Bureau adheres to the First-to-File Rule and applying specific provisions of R.A. 8293 (Sec. 122 and Sec. 127). The records will show that as between the parties, Opposer has prior application and registration obtained for the COOL WATER trademark. Opposer's mark COOL WATER was first filed in the Philippines on 22 April 1991 (*Exhibit "1", Opposer*) while respondent-Applicant's application for the same mark COOL WATER came more than a decade later on 09 March 2005. Being the prior user and registrant of the mark COOL WATER in the Philippines, Opposer is the actual owner thereof.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (*Bert R. Bagano v. Director of Patents, et.al.*, G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, the Respondent-Applicant did not present any evidence to prove its ownership of the COOL WATER mark, despite being given the opportunity to do so.

A cursory reading of paragraph (d) of R.A. 8293 with emphasis on prior registration and/or application of the same mark states that:

*"Section 123. Registrability. – 123.1 A mark cannot be registered if it:*

xxx

*(d) Is identical with a registered mark belonging to 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

The preceding section provides that the owner of a registered mark may bring an action to oppose an application for registration of another mark when he finds the same to be identical and/or confusingly similar with his registered trademark. From a plain reading of the trademark law (R.A. 8293) in point, what is there to suffice the requirement of the law and thus bar registration by subsequent user of identical or similar mark is the *confusingly similarity* between the subject trademarks, the likelihood that purchasers may confuse the goods of the Applicant and Opposer to come from the same manufacturer or source. The law does not require actual confusion, it suffices that confusion is likely to occur in the sale of the goods and adoption of both marks (*Philips Export B.V., et. al vs. Court of Appeals, et. al* G.R. No. 96161, February 21, 1992)

In this particular case, the remarkable similarity of COOL WATER in both marks is noteworthy. The two-word mark COOL WATER of Respondent-Applicant is the same in sound and spelling vis-à-vis the registered COOL WATER trademark of Opposer. Anyone is likely to be misled by its close resemblance or identity with Opposer's trademark. Hence,

comparing both marks in plain view there certainly is obvious similarity. Although the goods of the contending parties do not move in the same channels of trade, the other classes of goods which Opposer applied and in fact obtained registration using the same trademark COOL WATER are not just related but similar or identical to the goods of Respondent-Applicant consisting of handkerchief, t-shirt, sando, underwear, pants and other jeans, all belonging to classes 24 and 25. At present, Opposer's registered COOL WATER trademark are used on goods under Class 24 in 76 different countries (*Exhibit "2", Opposer*) and for goods under Class 25 in 84 different countries (*Exhibit "3", Opposer*). The possibility that Opposer's COOL WATER trademark will be used on goods under the aforementioned classes in the Philippines appears probable as it falls within the normal or zone of potential business expansion of Opposer. Bolstering this view is the pronouncement of the Supreme Court in the case of Jose P. Sta. Ana vs. Florentino Maliwat, et al. G.R. No. L-23023, August 31, 1968 which ruled, thus:

*Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trade-mark or trade-name is likely to lead to a confusion or source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field (see 148 ALR 56 et seq; 53 Am Jur. 576) or is in any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business"*

Moreover, it may well be worthy to note that as early as the year 2000, Opposer obtained registrations of the trademark COOL WATER on products in classes 24 and 25 abroad. These registrations are subsisting and have not been abandoned. Hence, Respondent-Applicant, by any parity of reasoning, cannot be considered an originator, prior registrant nor a prior applicant of the subject or questioned trademark.

It is worth mentioning at this juncture to bolster Opposer's exclusive right over its registered trademark COOL WATER and accord protection henceforth against any subsequent user is the established goodwill and reputation the trademark COOL WATER has earned over the years. Opposer's registered COOL WATER trademark is widely and popularly used by Opposer especially on its perfumery products. The use and adoption by Applicant of the same word COOL WATER as subsequent user can only mean that Applicant wishes to reap on the goodwill, benefit from the advertising value and reputation of Opposer's famous trademark.

By appropriating a word which is identical or closely resembles that of a widely used and popularly known trademark, and taking into account the evidence submitted by Opposer, this Bureau holds that indeed there was a deliberate intent by Respondent-applicant to ride on the popularity of the mark of the Opposer generated through extensive use and advertisement without the Respondent-Applicant having incurred and expense to gain such goodwill and/or reputation.

In the case of American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544, it was observed that:

*"Why of the million of terms and combination of letters an designs available the appellee had to choose a mark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark"*

As the rightful owner and prior user of the two-word mark COOL WATER, Opposer should be given protection against entities that merely wish to take advantage of the goodwill its marks have generated.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-2005-002277 filed by CHANDER CHANDNANI on 09 March 2005 for the registration of the mark COOL WATER used on handkerchief, t-shirt, sando, underwear, pants and other jeans wear under classes 24 & 25 is, as it is hereby, REJECTED.

Let the filewrapper of COOL WATER, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, March 19, 2007.

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