



OFFICE OF THE DIRECTOR GENERAL

ARISTON COMMERCIAL, INC.,
Respondent-Appellant,

-versus-

CONSOLIDATED ARTIST B.V.,
Opposer-Appellee.

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Appeal No. 14-2010-0027

IPC No. 14-2004-00140

Opposition to:

Application No. 4-2002-009677

Date Filed: 11 November 2002

Trademark: MANGO

DECISION

ARISTON COMMERCIAL, INC. (“Appellant”) appeals the resolution¹ of the Director of Bureau of Legal Affairs (“Director”) sustaining the opposition to the Appellant’s application to register the mark “MANGO”.

Records show that the Appellant filed on 11 November 2002 the application to register MANGO for use on watches. The trademark application was published in the Intellectual Property Office Official Gazette² on 18 August 2004. Subsequently, CONSOLIDATED ARTIST B.V. (“Appellee”) opposed the registration of MANGO alleging that it will be damaged by the allowance of the application. The Appellee alleged that it is the prior user of MANGO for jewelry and that it was issued a certificate of registration for this mark on 12 April 2002 for goods under Class 25 of the Nice Classification³ that includes clothing, hat, footwear, shoes, sandals and slippers. The Appellee claimed that it also has pending applications for MANGO in other classes⁴ of goods and that its mark is an internationally famous mark which is registered and well-known also in the Philippines. The Appellee alleged that the Appellant adopted the identical mark MANGO in bad faith with an intention of cashing in on the goodwill and reputation of its mark.

The Appellant denied⁵ the material allegations of the Appellee and maintained that it was the first to file the application for the registration of the mark MANGO for watches. The Appellant contended that it has the better right over this mark, it filed its trademark application in good faith, and that the Appellee has no valid cause of action against it. According to the Appellant, the registration of similar marks

¹Resolution No. 2009-48 (D) dated 22 December 2009.

²Volume VII No.5, page 103.

³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

⁴Classes 3 and 14 of the Nice Classification.

⁵The Appellant filed an “ANSWER” on 22 February 2005.

covering different kinds or classes of goods are allowed and the records of the Bureau of Trademarks are replete with registrations of similar marks covering different kinds or classes of goods owned by different registrants.

After the appropriate proceedings, the Director initially denied the opposition and ruled that the Appellant was the first to file for the registration of MANGO for use on watches and that the Appellant has prior actual commercial use of this mark for watches. However, upon the Appellee's motion for reconsideration, the Director set aside her decision and sustained the Appellee's opposition to the registration of the mark MANGO. The Director ruled that the Appellee has the better right over the mark MANGO as the Appellee has proven its ownership and prior and actual use of this mark.

On 08 March 2010, the Appellant appealed to this Office claiming that:

“32. Based on jurisprudence allowing parallel registration of the same mark as well as jurisprudence allowing registration of the same mark although belonging to the same Class (intra-parallel registration) in addition to the fact that Appellant has established proof that it has prior actual commercial use for watches under Class 14, not to mention the wanting evidence of Appellee as to the issue of international notoriety, the assailed Resolution of the BLA should be reversed and set aside by this Honorable Office and Decision No. 2007-206 dated 28 December 2007 of the BLA be affirmed.”⁶

The Appellant argues that the Supreme Court of the Philippines has allowed parallel registration of the same marks applied by different parties on different classes of goods. Moreover, the Appellant contends that the Supreme Court has also allowed intra-parallel registration which allows the registration of the same marks applied on the same class of goods. Thus, according to the Appellant, while the Appellee may have ownership and rights based on prior use and adoption of MANGO for accessories such as earrings, bracelets, necklaces, and rings, this does not mean that the Appellee can prevent the Appellant from appropriating MANGO for watches. The Appellant maintains that at the time of its application for the registration of MANGO, the Appellee does not deal with watches. The Appellant asserts that there is no evidence on record that the Appellee has engaged in the actual commercial sale of watches, prior or even subsequent to the business operation of the Appellant, hence, the Appellant maintains that the Appellee's claim for damage brought by any appropriation of the MANGO mark for watches is more imagined than real.

The Appellee filed a “COMMENT” dated 14 April 2010 claiming that it has the better right over the mark MANGO being the prior user of this mark in various classes including Class 14 where watches are included in the classification. The Appellee contends that while it has not yet used MANGO on watches, watches and clothing and fashion accessories are frequently associated under the same trademark and brand identity, and therefore, watches are in the natural area of expansion of the Appellee's products.

⁶ APPEAL MEMORANDUM dated 05 March 2010, page 13.

The issue in this appeal is whether the Director was correct in sustaining the Appellee's opposition to the Appellant's application to register MANGO for use on watches.

The appeal is not meritorious.

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁷

In this case, at the time the Appellant filed its application to register MANGO for watches under Class 14 of the Nice Classification, the Appellee has secured a certificate of registration for this mark in Class 25 which includes clothing, hats and footwear. The Appellee has also filed applications for registration in other classes including Class 3 and Class 14 and has adduced evidence of prior use on jewelry like bracelets and rings. There is also no dispute that the parties' marks are identical.

Sec. 123.1 (d) of the IP Code provides that 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;

In this regard, the Appellee has a registered mark for MANGO and it has used and adopted this mark prior to the Appellant's application to register this mark for watches. MANGO as used by the Appellee is a highly distinctive mark that to allow the Appellant to register a similar mark would defeat the rationale of trademark registration.

That the Appellant is seeking the registration of MANGO for goods different from the goods covered by the Appellee's certificate of registration and different from the goods covered by the Appellee's use of MANGO will not save the day for the Appellant. The allowance of the Appellant's trademark application for MANGO would likely cause confusion creating an impression that this mark is owned by the Appellee.

The discussion by the Supreme Court of the Philippines in the case of *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft*⁸ is instructive.

⁷ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

⁸ G. R. No. L-19906, 30 April 1969.

Callmann notes two types of confusion. The first is the *confusion of goods* "in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other." In which case, "defendant's goods are then bought as the plaintiff's, and the poorer quality of the former reflects adversely on the plaintiff's reputation." The other is the *confusion of business*: "Here though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."

x x x

In the present state of development of the law on Trade-Marks, Unfair Competition, and Unfair Trading, the test employed by the courts to determine whether noncompeting goods are or are not of the same class is confusion as to the origin of the goods of the second user. *Although two noncompeting articles* may be classified under two different classes by the Patent Office because they are deemed not to possess the same descriptive properties, they would, nevertheless, be held by the courts to belong to the same class if the simultaneous use on them of identical or closely similar trademarks would be likely to cause confusion as to the origin, or personal source, of the second user's goods. They would be considered as not falling under the same class only if they are so dissimilar or so foreign to each other as to make it unlikely that the purchaser would think the first user made the second user's goods.

Such construction of the law is induced by cogent reasons of equity and fair dealing. The courts have come to realize that there can be unfair competition or unfair trading even if the goods are noncompeting, and that such unfair trading can cause injury or damage to the first user of a given trademark, first, by prevention of the natural expansion of his business and, second, by having his business reputation confused with and put at the mercy of the second user. When noncompetitive products are sold under the mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user, inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. 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 as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud.

In this regard, while the Appellant's goods are different from the goods covered by the Appellee's certificate of registration and are not similar from the goods where the Appellee is using MANGO, the Appellant's products may be assumed to originate with the Appellee. Consequently, the registration of the Appellant's mark may cause damage to the Appellee who has no control on the quality of the products of the Appellant.

The mark MANGO as used by the Appellee is an arbitrary mark and it is, thus, surprising and is unlikely a coincidence that the Appellant could come up with an identical mark. To come up with an arguably highly distinct and uncommon mark, which has been previously appropriated by another, for use on one's business, without any explanation is something mind-boggling. The field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Appellant had to come up with a mark so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁹

The Appellee is entitled to the protection of its mark MANGO. As discussed in the case of *Societe Des Produits Nestle, S. A. v. Court of Appeals*,¹⁰ the protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same --- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

07 FEB 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General

⁹ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.

¹⁰ G. R. No. 112012, 04 April 2001.