



OFFICE OF THE DIRECTOR GENERAL

SAM PO ONG,

Appellant,

-versus-

DIRECTOR OF THE BUREAU
OF TRADEMARKS,

Appellee.

X-----X

Appeal No. 04-2011-0015

Application No. 4-2008-012393

Date Filed: 10 October 2008

Trademark: SAVE-A-LOT

DECISION

SAM PO ONG (“Appellant”) appeals the decision of the Director of the Bureau of Trademarks (“Director”) sustaining the final rejection of the Appellant’s application to register the mark “SAVE-A-LOT”.

Records show that the Appellant filed on 10 October 2008 Trademark Application No. 4-2008-012393 for SAVE-A-LOT for use on men and ladies footwear, shoes, socks, slippers, sandals, denim pants and garments. Subsequently, the Examiner-in-Charge (“Examiner”) issued an official action¹ stating that the mark may not be registered because it consists exclusively of indications that may serve in trade to designate the quality and other characteristics of the goods.

The Appellant filed a “RESPONSE” dated 23 March 2009 stating that its mark does not tend to describe the goods it represents, but instead suggests a number of impressions and that the purchaser still needs to go through a series of rational connections in order to establish a clear and acceptable relation between the mark and the goods. According to the Appellant, its use of the mark is not descriptive but is suggestive and is meant to evoke the feeling and project the mental picture of securing a good purchase without trading off quality.

The Examiner issued a “FINAL REJECTION”² of the Appellant’s trademark application stating that SAVE-A-LOT directly conveys to the buyers that the items are cheap or are sold at a bargain, hence, descriptive of the value and other characteristics of the goods. The Appellant appealed to the Director, who sustained the final rejection of the Appellant’s trademark application.

Not satisfied, the Appellant filed on 22 June 2011 an “APPEAL MEMORANDUM” seeking the reversal of the decision of the Director. The

¹ Paper No. 02 Registrability Report with mailing date of 11 December 2008.

² Paper No. 06 with mailing date of 30 April 2009.

Republic of the Philippines

INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center, 28 Upper McKinley Road, McKinley Hill Town Center

Fort Bonifacio, Taguig City 1634 Philippines

T: +632-2386300 • F: +632-5539480 • www.ipophil.gov.ph

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Appellant argues that SAVE-A-LOT is a coined, arbitrary and/or suggestive term, which seeks to tickle the imagination and thought of its customer while having the capacity to draw the attention to what may be the characteristics of the goods the mark pertains to. The Appellant contends that its mark does not consist exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services. SAVE-A-LOT, according to the Appellant is not a term exclusively pertaining to the monetary value of goods and may pertain to time, energy, effort, or any efficient arrangement or means of maximizing a commodity of value. The Appellant claims that several marks similar to SAVE-A-LOT have been registered which show that its mark is not descriptive and should also be allowed registration.

The Director filed on 20 July 2011 her "COMMENT" maintaining that SAVE-A-LOT is descriptive and immediately projects the meaning that the men's and ladies footwear, shoes, socks, slippers, sandals, denim pants and garments which it identifies is cheap and inexpensive, and thus, the consumer can "save-a-lot". The Director asserts that there is no need for the public to exercise the powers of perception or imagination in order to deduce the quality of goods identified by the use of the term "save-a-lot". The Director asserts that the information conveyed by the phrase "save-a lot" is not indirect or vague and the term does not require thought and additional information to reach a conclusion as to the exact nature of the products or services.

The issue in this appeal is whether the Director was correct in sustaining the final rejection of the Appellant's application to register the mark SAVE-A-LOT.

In this regard, Sec. 123.1 (j) of the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it:

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;

Accordingly, signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value or other characteristics of the goods cannot be registered. All persons have an equal right to produce and vend similar articles and describe them properly and to use any appropriate language or words for that purpose. No person can appropriate exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all.³

In this case, the mark SAVE-A-LOT is a sign or indication of the value and characteristics of the Appellant's goods. It is, therefore, a descriptive mark that

³ Ong Ai Gui Alias Tan Ai Gui v. Director of the Philippines Patent Office, G. R. No. L-6235, 28 March 1955 citing 52 Am. Jur. 542-543.

cannot be registered. In the case of *Societe Des Produits Nestle, S.A. and Nestle Philippines, Inc. vs. Court of Appeals and CFC Corporation*,⁴ the Supreme Court of the Philippines held that a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.

By using SAVE-A-LOT, the Appellant conveys to the purchasing public the value and characteristics of its product. As correctly pointed out by the Director:

In the instant case, the ordinary consumer hardly has to exert imaginative efforts to deduce the quality of the goods indicated by the use of the term "save-a-lot." The consumer is immediately informed that he gets the value for the money he spent on the goods. The qualities of the goods that allow the consumer to save whether on cost, time or effort all fall within the ambit of value-for-money products which is what the term "save-a-lot" would convey to consumers encountering a product bearing the mark SAVE-A-LOT. By the use of the phrase "save-a-lot" the consumer is immediately informed of a desirable quality of the goods, that is, the "value for their money".⁵

It is emphasized that 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.⁶

In this case, SAVE-A-LOT is not capable of distinguishing the goods of the Appellant. It does not point out distinctly the origin or ownership of SAVE-A-LOT but only describes the value or characteristics of the Appellant's goods. To register SAVE-A-LOT would allow the Appellant the exclusive right to use these words on goods similar to those covered by the Appellant's trademark application. This is not the rationale for registering a trademark. A mark must be a visible sign that distinguishes the goods or services of an enterprise.⁷ SAVE-A-LOT does not distinguish the Appellant's products but only describes them.

The Appellant's contention that its mark is suggestive is not tenable.

Suggestive terms are those which require "imagination, thought and perception to reach a conclusion as to the nature of the goods." Such terms, "which subtly connote something about the product," are eligible for protection in the absence of secondary meaning. While suggestive marks are capable of shedding "some light"

⁴ G.R. No. 112012, 04 April 2001.

⁵ DECISION dated 20 May 2011, page 3.

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999.

⁷ Sec. 121.1 of the IP Code.

upon certain characteristics of the goods or services in dispute, they nevertheless involve "an element of incongruity," "figurativeness," or "imaginative effort on the part of the observer."⁸

In this instance, the Appellant's use of SAVE-A-LOT would not require the purchasing public or the consumers to exercise their powers of perception or imagination to determine the Appellant's goods. Rather, this mark describes to the purchasing public the value and characteristics of the Appellant's goods.


In addition, there is no merit to the Appellant's contentions that because prior registrations have been issued to marks similar to SAVE-A-LOT, this mark should also be allowed registration. The determination of whether to register a mark is based on the merits of an application and is not dependent on the registration given to other applications. The rights in a mark shall be acquired through registration made validly in accordance with the provisions of the law.⁹ Hence, a mark to be registered must not contravene the provisions of the IP Code.

Significantly, the proceeding for the registration of a mark in the Bureau of Trademarks is *ex-parte*. It is prosecuted *ex parte* by the applicant, that is, the proceedings are like a lawsuit in which there is a plaintiff (the applicant) but no defendant, the court itself (the Examiner) acting as the adverse party.¹⁰ The Intellectual Property Office of the Philippines represented by the Examiner is not to look after the interest of an applicant. The law imposes that duty upon the applicant himself. The Examiner is charged with the protection of the interests of the public and, hence, must be vigilant to see that no registration issues for a mark contrary to law and the Trademark Regulations.¹¹ The Examiner will look if the trademark can be registered or not.

WHEREFORE, premises considered, the 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 Trademarks. Let a copy of this Decision be furnished also the library of the Documentation, Information and Technology Transfer Bureau for its information and records purposes.

SO ORDERED.

OCT 03 2013 Taguig City


RICARDO R. BLANCAFLOR
Director General

⁸ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

⁹ Sec. 122 of the IP Code.

¹⁰ Trademark Regulations, Rule 600.

¹¹ Trademark Regulations, Rule 602.