



OFFICE OF THE DIRECTOR GENERAL

SHARON G. CUNETA-PANGILINAN
Respondent-Appellant,

-versus-

OMEGA SA (OMEGA AG) OMEGA
LTD.,
Opposer-Appellee.

Appeal No. 14-09-57

Inter Partes Case No. 14-2008-00106

Opposition to:

Application No. 4-2006-012583

Date Filed: 21 November 2006

Trademark: Mega

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DECISION

SHARON G. CUNETA-PANGILINAN (“Appellant”) appeals Decision No. 2009-98, dated 30 July 2009, of the Director of the Bureau of Legal Affairs (“Director”) sustaining the opposition of OMEGA SA (OMEGA AG) OMEGA LTD. (“Appellee”) to the Appellant’s Trademark Application No. 4-2006-012583 for goods falling under Class 14 of the Nice Classification.¹

CASE BACKGROUND

Records show that the Appellant filed on 21 November 2006 the application to register “Mega” for use on goods falling under Classes 3, 14, 18, 25, 26 and 41² of the

¹ The 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.

² **Class 3** - perfumery, cologne, essential oils, cosmetics, hair lotions, soaps, toiletries; **Class 14** - precious metals and their alloys, namely gold, silver, bronze, copper, and the like and in precious metals or coated therewith, not included in other classes, namely bracelets, necklace, rings, anklets, bangles, earrings, chains, brooches, charms, tie clips, tie pins, cuff links, ornamental pins, statues, statuettes, works of art, watch straps, and watch bands; jewelry, precious stones; fashion/costume jewelry and ornaments; and horological and chronometric instruments; **Class 18** - leather and imitations of leather, and goods made of these materials and not included in other classes, namely notebook or personal planner, cover jackets, binders, folders, fashion accessories, key chains, cellular phone casings, vanity kits, boxes and card cases, briefcases, music cases, casings, covers, furniture coverings, frames, slings, and sling bags, and trimmings; animal skins, hides, trunks and traveling bags, shoulder bags, handbags, clutch bags, purses, coin purses, belts, umbrellas; and wallets; **Class 25** - clothing, namely gowns, skirts, pants, shorts, blouses, shirts, jackets, sweaters, knitwear, suits, vests, overalls, overcoats, waistcoats, hoods, pyjamas, tights, pants, robes, saris, shashes, shawls, veils, swimwear, trunks, swimsuits, wristbands, smocks, pellises, gloves, and underwear, footwear namely lafies shoes, sandals, slippers, boots, half boots, lace boots, wooden shoes, gymnastic shoes, soles, heelpieces, heels, socks, stockings, and headgear namely ladies’ hats, hat frames, caps, shower caps, skull caps, helmets, bonnets, bandan, headbans; **Class 26** - lace and embroidery, ribbons and braid, buttons, hooks and eyes, pins and needles, artificial flower, and hair ornaments; **Class 41**- education, providing training, entertainment, and sporting and cultural activities.

Nice Classification. The application was published on 25 January 2008 in the Intellectual Property Office e-Gazette for Trademarks. On 12 May 2008, the Appellee filed a "NOTICE OF OPPOSITION" alleging that:

1. It was the first to register, adopt and use the mark "OMEGA" for goods under Class 14, especially horological goods (watches), in the Philippines and other countries worldwide.³
2. There was a likelihood of confusion between OMEGA and Mega.⁴
3. OMEGA is well-known internationally and in the Philippines and that the Appellant's use of Mega for goods under Class 14 would indicate a connection between the latter and the Appellee's, whose interests would likely be damaged.⁵
4. The Appellant, by using Mega as trademark, has given her goods the general appearance of the Opposer's products, making her liable for unfair competition.⁶
5. The Appellant, in adopting Mega as trademark, is likely to cause confusion as regards its connection with the opposer, or as to the origin of its products, making her liable for false designation of origin, and false description or representation.⁷

The Appellant filed on 26 August 2008 her "ANSWER (Re: Notice of Opposition dated 12 March 2008)" alleging the following:

1. Appellee's prior registration of OMEGA for watches under Class 14 does not preclude Appellant from registering "Mega" under the same class for "horological and chronometric instruments". The crucial issue to be resolved is whether there is a likelihood of confusion arising from the Appellant's registration.⁸
2. Mega is neither identical nor confusingly similar to OMEGA, which are considered as high-end luxury items that are purchased only after careful and deliberate inspection by the customer. Thus, the principles enunciated in cases where confusing similarity was based upon a mere comparison of the sound or pronunciation are not applicable.⁹
3. There is no evidence that the Appellant employed malice, bad faith or fraud, or that she intended to capitalize on the Appellee's goodwill. The

³ p. 2, Notice of Opposition

⁴ p. 2, Notice of Opposition

⁵ p. 3-4, Notice of Opposition

⁶ p. 4, Notice of Opposition

⁷ p. 4-5, Notice of Opposition

⁸ p. 4, Answer (Re: Notice of Opposition dated 12 March 2008)

⁹ p. 6, Answer (Re: Notice of Opposition dated 12 March 2008)

Appellant has been constantly referred to as “Mega” in countless newspaper, tabloid, and magazine articles for almost three decades.¹⁰

4. There is no danger that Mega will indicate a connection with OMEGA as the Appellee’s watches and the Appellant’s goods under Class 14 are non-competing and unrelated. The classification of goods is not a conclusive factor in determining whether goods or services are similar or related for purposes of determining whether concurrent use of trademarks is likely to cause confusion.¹¹
5. The interests of the Appellee are not likely to be damaged by the registration of Mega for goods falling under Class 14 as the registration of OMEGA is limited only to the right of exclusive use thereof with respect to watches. There is no allegation nor proof that the Appellee intends to enter into fields related to the Appellant’s product lines.¹²
6. The Appellant is not guilty of unfair competition as she has yet to market her own products. Thus, the Appellee’s claim that the Appellant has given her products the appearance of the Appellee’s products is purely speculative.¹³

After the appropriate proceedings, the Director sustained the opposition to the registration of Mega for goods under Class 14, but denied the opposition with respect to Classes 3, 18, 25, 26 and 41. The Director ruled that the similarity in the word components and sound of the contending marks would result to a likelihood of confusion for goods under Class 14. The Director, however, ruled that confusion is unlikely to result from the use of Mega in the other classes of goods.

Dissatisfied, the Appellant filed on 25 September 2009 an “APPEAL MEMORANDUM FOR RESPONDENT-APPLICANT-APPELLANT (Re: Decision dated 30 July 2009)” contending that Mega is not confusingly similar to OMEGA and that the prior use and registration of OMEGA for watches under Class 14 should not bar the registration of Mega for goods under Class 14. The Appellee filed on 30 October 2009 an “OPPOSITION (TO RESPONDENT-APPLICANT-APPELLANT’S APPEAL)” reiterating the position that Mega is confusingly similar to OMEGA.

ISSUE

This Office takes cognizance of the fact that this appeal is limited to the decision of the Director of Legal Affairs sustaining the opposition to the registration of Mega for goods under Class 14 and does not include the part thereof denying the opposition to the registration for goods under Classes 3, 18, 25, 26 and 41. The issue, therefore, in this

¹⁰ p. 13, Answer (Re: Notice of Opposition dated 12 March 2008)

¹¹ p. 17, Answer (Re: Notice of Opposition dated 12 March 2008)

¹² p. 18-19, Answer (Re: Notice of Opposition dated 12 March 2008)

¹³ p. 22, Answer (Re: Notice of Opposition dated 12 March 2008)

appeal is whether the Director was correct in sustaining the opposition to the registration of Mega for goods under Class 14.

RULING

We uphold the decision of the Director of Legal Affairs in sustaining the opposition to the registration of Mega for goods under Class 14 on the ground that likelihood of confusion will result for goods under the said class while confusion is unlikely in the other classes of goods.

Recent decisions of the Supreme Court lean towards the application of the “Dominancy Test” to determine confusing similarity.¹⁴ The words, visuals and sounds of the mark are to be considered. Moreover, although there is no express provision in the IP Code adopting the “Dominancy Test”, Subsections 155.1 and 155.2 thereof expressly used the term “dominant feature” in characterizing infringement.

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.¹⁵

In this regard, Sec. 123.1(d) of the IP Code, states 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;

The Appellee is the registered owner of OMEGA AND DEVICE for watches which falls under Class 14. On the other hand, the Appellant seeks to register Mega for goods under the same class. The goods in which the Appellant seeks to register Mega includes watch straps, watch bands, jewelry and horological and chronometric instruments which can definitely be considered as closely related to the Appellee’s watches. Thus, the next question is whether Mega nearly resembles OMEGA AND DEVICE as to be likely to deceive or cause confusion.

¹⁴ *Berris Agricultural Co., Inc., versus Norvy Abyadang*, G.R. No. 183404, October 13, 2010; *Societe des Produits Nestle, S.A., versus Martin T. Dy, Jr.*, G.R. No. 172276, August 8, 2010 ; *Coffee Partners, Inc. versus San Francisco Coffee and Roastery, Inc.*, G.R. No. 169504, March 3, 2010; *Prosource International, Inc. v. Horphag Research Management S.A.*, G.R. No. 180073, 25 November 2009; *McDonald’s Corporation v. MacJoy Fastfood Corporation*, G.R. No. 166115, February 2, 2007.

¹⁵ *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 114508, 19 November 1999.

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case is decided on its own merits.¹⁶ As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,¹⁷ the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.¹⁸ Below are the reproductions of the competing marks:

Mega

Appellant's mark


OMEGA

Appellee's mark

At a glance, one can see the close resemblance in these marks. The dominant feature in the Appellant's mark is the word "Mega" while that of the Appellee's mark is the word "OMEGA". The Appellee's mark contains all the letters of the Appellant's word mark and is similarly pronounced. The Director of Legal Affairs correctly observed that "(a)s regards to the literal elements, the addition of the word (*sic*) "O" is the only difference between the word components of the marks. When pronounced, the phonetic similarity is at once apparent."¹⁹ The registration of Mega would, therefore, create a likelihood of confusion or deception.

While the Appellee's horological products under Class 14 are not the everyday common goods or household items bought at a minimal cost and, therefore, the prospective buyer thereof is expected to be more aware and cautious in their purchase, there is always that possibility that in some future time, the Appellee would expand its business to produce low-end watches. In that eventuality, a person who would buy the Appellant's products would possibly do so on the basis of the mistaken belief that the product is that of the Appellee. This "expansion of business doctrine" finds support in Section 138 of the IP Code which states that

"A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate."

Applying this doctrine in the case of *Societe des Produits Nestle, SA, vs. Martin T. Dy, Jr.*²⁰ the Supreme Court declared that "(t)he scope of protection afforded to registered trademark owners is not limited to protection from infringers with identical goods. The scope of protection extends to protection from infringers with related goods, and to

¹⁶ *Emerald Garment Manufacturing Corporation vs. Court of Appeals*, 251 SCRA 600 (1995).

¹⁷ *Esso Standard Eastern, Inc. vs. CA*, 116 SCRA 336 (1982).

¹⁸ *Societe Des Produits Nestle, S.A., et.al vs. CA*, et. al., G.R. No. 112012, 04 April 2001.

¹⁹ p. 5, Decision No. 2009-98, dated 30 July 2009, of the Director of the Bureau of Legal Affairs

²⁰ G.R. No. 172276, August 8, 2010

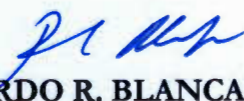
market areas that are the normal expansion of business of the registered trademark owners.”

Wherefore, premises considered, the appeal is hereby DENIED. The Appellant's Trademark Application No. 4-2006-012583 for Mega for use on goods on Class 14 is LIKEWISE DENIED.

Let a copy of this Decision as well as the records be furnished and returned to the Director of 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.

SEP 25 2012 , Taguig City.


RICARDO R. BLANCAFLOR
Director General