



APPLE, INC.,
Opposer,

-versus-

ARROW HOME IMPROVEMENT, INC.,
Respondent- Applicant.

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} IPC No. 14-2012-00228
} Opposition to:
} Appln. Serial No. 4-2011-003164
} Date Filed: 21 March 2011
} TM: "APPLE LOGO"
}

NOTICE OF DECISION

QUISUMBING TORRES

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GREETINGS:

Please be informed that Decision No. 2013 - 91 dated May 27, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 27, 2013.

For the Director:

Atty. PAUSI U. SAPAK
Hearing Officer
Bureau of Legal Affairs



APPLE, INC.,
Opposer,

IPC No. 14-2012-00228
Case Filed: 01 June 2012

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Decision No. 2013- 91

DECISION

APPLE INC. ("Opposer")¹ filed on 01 June 2012 an opposition to Trademark Application Serial No. 4-2011-003164. The application, filed by ARROW HOME IMPROVEMENT, INC. ("Respondent-Application")², covers the mark "APPLE LOGO" for use on "bathroom fixtures or toilet bowls, urinals lavatories, faucets and accessories, bath tub, Jacuzzi and steam bath" under Class 11 of the International Classification of Goods and Services³.

The Opposer alleges, among other things the following:

1. Opposer is the first user and owner of the well-known APPLE LOGO trademarks. As well as the first registrants in the Philippines, well before the filing date of the Respondent-Applicant's trademark application.
2. Respondent-Applicant's mark is confusingly similar, if not identical, to Opposer's APPLE LOGO trademarks, and thus runs contrary to Section 123 of the IP Code. Section 123 (d), (f) and (g) of the IP Code provides:

Section 123. Registrability – 123.1 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

¹ A corporation organized under the laws of the State of California, U.S.A. with business address at 1 Infinite Loop, Cupertino, California 95014, U.S.A.

² With address at Unit 49 Ground Floor, Ortigas Home Depot Julia Vargas Avenue near corner Meralco Avenue, Pasig City, Metro Manila.

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

(iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion;




(f) a mark cannot be registered if it is identical with or confusingly similar to, or constitute a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to good and services which are not similar to those with respect to which the registration is applied for: *Provided*, That the use of the mark in relation to those goods and services would indicate a connection between 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.

(g) a mark cannot be registered if it is likely to mislead the public, particularly as to its nature, quality, characteristics or geographical origin of the goods or services.

3. The Opposer has also used and registered the APPLE LOGO trademarks in other countries, which thereby classifies the APPLE LOGO trademarks as registered and well-known trademarks, both internationally and in the Philippines.
4. The registration of Respondent's mark will work to impede the natural expansion of Opposer's use of its APPLE LOGO trademarks in the Philippines.
5. The registration and consequent use of Respondent's mark "APPLE LOGO" will result in a confusion of source or reputation, which is proscribed under the IP Code and applicable precedents.

The Opposer's evidence consists of the following:

1. Exhibit "A" – Original legalized Verified Notice of Opposition;
2. Exhibit "B" – Original legalized Affidavit of Thomas R. La Perle;
3. Exhibit "B-1" – A listing of a sampling of trademark registrations for the Apple Logo in a variety of jurisdictions;
4. Exhibit "B-2" – A listing of a sampling of some of Opposer's trademark registrations for the APPLE word mark in a variety of jurisdictions;
5. Exhibit "B-3" – A copy of Opposer's external use policy, published under the title "Guidelines for Using Apple Trade Marks and Copyrights";
6. Exhibit "B-4" – Copies of materials featuring the Opposer's APPLE trademarks, specifically the Apple Logo, in connection with Opposer's Mac OS products;
7. Exhibit "B-5" – A screenshots of the homepage of the iTunes Store service website in the Philippines which shows use of the Apple Logo;
8. Exhibit "B-6" – Screenshots of the Apple Store service website for the United States, France, Japan, the Philippines and the United Kingdom;
9. Exhibit "B-7" – List of current Apple Store Retail Store locations worldwide;

10. Exhibit "B-8" – A collection of images illustration the use of Opposer's APPLE trademarks, specifically the Apple Logo in connection with the Apple Retail Stores;
11. Exhibit "B-9" – Samples of Opposer's print and outdoor advertising distributed in the Asia Pacific Region;
12. Exhibit "B-10" – A true copy of an article obtained from the *PC World* magazine website at pcworld.com titled "Apple Tops in Consumer Satisfaction" dated 24 August 2004, and a true copy of an article obtained from the *Wired* magazine website at wired.com entitled "Apple: It's All About the Brand" dated 04 December 2002;
13. Exhibit "B-11" – A true copy of an article which appeared on 24 April 2006 in *Business Week Magazine* entitled "The World's Most Innovative Companies";
14. Exhibit "B-12" – Copies of Millward Brown Optimor's 2006, 2007, 2008, 2009, 2010 and 2011 rankings;
15. Exhibit "B-13" – Copies of the brandchannel.com 2008 and 2009 Brandjunkie Survey Results, and the Brandchannel Reader's Choice Awards results for the years 2001 through 2006;
16. Exhibit "B-14" – Copies of *Fortune Magazine's* "Most Admired Company" rankings for the years 2008, 2009, 2010, 2011 and 2012;
17. Exhibit "B-15" – Copies of some worldwide decisions that acknowledge the fame and recognition of the APPLE and/or APPLE Logo marks;
18. Exhibit "B-16" – A true copy of the relevant pages from Apple's 2011 Annual Report as filed with the United States Securities and Exchange Commission;
19. Exhibit "B-17" – Examples of Opposer's advertisements in the Philippines;
20. Exhibit "B-18" – Pictures of stores and signages depicting the APPLE Name and Marks as used in the Philippines;
21. Exhibit "B-19" – Copies of IPO Decision No. 2008-161 dated 03 September 2008 and Resolution No. 2009-30 dated 18 May 2009, in "*Apple Inc. v. Herbanext Inc.*," docketed as IPC No. 14-2007-00193; declaring the APPLE Trade Marks as well-known;
22. Exhibit "C" – A copy of Philippine Trademark Registration No. 4-2002-002618 for the mark  in Classes 9 and 38 issued by the Philippine Intellectual Office;
23. Exhibit "D" – A copy of Philippine Trademark Registration No. 4-2002-004056 for the mark  in Class 42 issued by the Philippine Intellectual Office;
24. Exhibit "E" – A copy of Philippine Trademark Registration No. 4-2011-006624 for the mark  in Class 35; and
25. Exhibit "F" – Original legalized and notarized Certificate and Power of Attorney showing the authority of Thomas R. La Perle's to verify the notice of opposition and execute the certificate of non-forum shopping

and the undersigned's authority to represent Opposer in these proceedings.

On 15 August 2012, Respondent-Applicant filed its Verified Answer denying all the material allegations of the opposition and argued that its mark is not confusingly similar to Opposer's mark because the two marks cover entirely different goods and/or products and are falling under different Classes of goods according to the NICE CLASSIFICATION.

Respondent-Applicant's evidence consists of the following:

1. Annex "1" – Secretarys' Certificate;
2. Annex "2" – Notice of Allowance;
3. Annex "3" – Official Receipt No. 0381682 dated 20 March 2012; and
4. Annex "4" – Letter dated 22 July 2011 signed by the president of the applicant addressed to the Director of Trademarks.

Order No. 2012-176 dated 03 September 2012, this case was referred to the Mediation Office.

On 03 December 2012, the Bureau of Legal Affairs received a Mediator's Report with the information that the parties failed to reach an amicable settlement.

This Bureau issued a Notice of Preliminary Conference dated 29 January 2013 wherein this case was set for hearing on 13 March 2013 at 10:30 a.m. however, only Opposer's counsel appeared, hence preliminary conference was officially terminated.

Should the Respondent-Applicant's trademark application be allowed?

It is emphasized that the essence of trademark registration is to give protection to the owner of the trademarks. The function of 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 products⁴.

Thus, Sec. 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

Records show that at the time the Respondent-Applicant filed its trademark application on 21 March 2011, the Opposer has already an existing registrations in the Philippines for the mark "APPLE LOGO" under Registration Nos. 4-2002-002618 issued on 18 February 2006 under

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114509, 19 November 1999.

Classes 9 and 38, Reg. No. 4-2002-004056 issued on 11 March 2004 under Class 42 and Reg. No. 4-2011-006624 issued on 13 February 2012 under Class 35.

Further, Opposer has likewise registered its mark "APPLE LOGO" in other countries of the world and continues to use the same on its goods and services.

In this regard, there is no doubt that the mark applied for registration by the Respondent-Applicant is confusingly similar and/or identical to the Opposer's mark as shown below:



Opposer's Mark



Respondent-Applicant's Mark

Obviously, the Respondent-Applicant's mark is identical and/or confusingly similar to Opposer's mark such that confusion or even deception is likely to occur. The only difference between the marks is the omission of the "bite" in the apple device and the opposite angle of the leaf design in the Respondent-Applicant's mark. However, this distinction is of no moment. The competing marks look alike and/or visually, they have the same appearance. The Supreme Court has said that in determining whether two trademarks are confusingly similar, exact identity is not necessary, as it is sufficient if one trademark is a colorable imitation of the other⁵.

"Colorable imitation" means such a close or ingenious imitation as to be calculated to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause to purchase the one supposing it to be the other⁶.

In other words, to warrant a denial of an application for registration of a mark or tradename or to constitute infringement of a registered mark or trade name, the law does not require that the competing marks or tradenames produced actual error or mistake. It is sufficient that there is a possibility or likelihood of the purchaser being mistaken or deceived. The universal test is whether the public is likely to be deceived⁷. The likelihood of confusion would subsist not only on the purchaser's perception of the goods but on the origin thereof as held by the Supreme Court⁸.

Callman 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 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

⁵ Clarke v. Manila Candy Company (1917) 36 Phil. 100, 113.

⁶ Etepha, A.G. v. Director of Patents, (1966) 16 SCRA 495, 497-498; Society des Produits Nestle, S.A. v. Court of Appeals, (2001) 356, SCRA 207, 216.

⁷ Co Tiong Sa v. Director of Patents, 95 Phil. 1; American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544 (1970).

⁸ Converse Rubber Corporation v. Universal Rubber Products, Inc. et.al. G.R. No. L-27906, 08 Jan. 1987.

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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

The public interest, therefore, requires that two marks, identical to or closely resembling each other, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception and even fraud, should be prevented.

It is inconceivable for the Respondent-Applicant to have come up with the mark "APPLE LOGO" without having been inspired by or motivated by an intention to imitate the Opposer's mark. It is highly improbable and very difficult to understand for another person to come up with an identical or exactly the same mark purely by coincidence. The field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combinations of letters are available, the Respondent-Applicant had come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark⁹.

The Opposer likewise argues that its mark "APPLE LOGO" is a well-known mark which deserves protection as a consequence of our adherence to the Paris Convention. Its mark has been in continuous and prominent use since it was designed in 1977 and has registered and used its tradename and trademarks, including the APPLE MARK, in more than 134 countries around the world. In support of its position, it submitted a list of representative sample of APPLE'S trademark registrations including Australia, Canada, People's Republic of China, European Union, Hong Kong, India, Indonesia, Japan, Malaysia, Mexico, New Zealand, Norway, Philippines, Russian Federation, Saudi Arabia, Singapore, South Africa, South Korea, Switzerland, Taiwan, Thailand, Turkey, United Kingdom and the United States of America¹⁰. As well as extensive marketing and advertisement initiatives¹¹.

The status of the Opposer's mark as to be a well-known mark has already been recognized by this Bureau in Inter Partes proceedings entitled APPLE, INC. v. HERBANEXT, INC. Decision No. 2008-161 dated 03 September 2008, where it ruled that:

"This Bureau holds that the extend and geographical area of the promotion of Opposer's APPLE, such as the advertising and publicity of goods under different classes which bear said mark through print media, broadcast media and the internet is such that said mark may be considered as well-known. Practically in all countries in the world, in continents from Europe to the Asia/Pacific Rim and from North and South America, its advertisements in a details manner bearing the mark APPLE and APPLE & DEVICE appear on the internet, which is practically without boundaries. These products bearing said mark may be accessed by anyone from anywhere".

⁹ American Wire and Cable Co. v. Director of Patents, et.al. (SCRA 544) G.R. No. L-26557, 18 Feb. 1970.

¹⁰ Exhibit "B-1".

¹¹ Page 12 of Exhibit "B".

Further, the recognition that Opposer's mark is a well-known mark was re-iterated by this Bureau, in APPLE INC. vs. ARIS MIRANDA, Inter Partes Case (IPC) No. 14-2011-00275 Decision No. 2012-199 dated 12 October 2012, where it was stated that:

"In this regards, records show that at the time the Respondent-Applicant filed his trademark application on 15 February 2011;

1. the Opposer has several trademark registrations for the mark APPLE and its variations, registration Nos. 040034 (Class9), 4-2002-002618 (Class 9 and 38) and 4-2002-004056 (Class 42); and
2. this Bureau had already declared the Opposer's APPLE trademarks well-known marks"

Rule 800 (b) of the Rules and Regulations on trademarks, service marks, tradenames and marked or stamped containers provides:

- (b) The exclusive right of the owner of a well-known mark which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between 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.

Being well-known, Opposer's mark are entitled to protection against trademark dilution as stated in LEVI STRAUSS & CO vs. CLINTON APPARELLE, 470 SCRA 236 (2005):

"Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of the famous mark is entitled to an injunction "against another's person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." This is intended to protect famous marks from subsequent uses that blur distinctiveness of the mark or tarnish or disparage it".

Moreover, as a well-known and registered mark, Opposer's APPLE mark is entitled to be protected against marks that are liable to create confusion in the minds of the public, whether such marks are used on similar or dissimilar goods or services. As stated in Section 123.1 (f) of the IP Code, Opposer need only to show that (i) the opposed mark is confusingly similar to the well-known and registered mark; (ii) the use of the mark in relation to those goods and services would indicate a connection between those goods or services; (iii) the interests of the owner of the registered mark are likely to be damaged by such use.

In the instant proceedings, the Respondent-Applicant's mark is confusingly similar with the Opposer's well-known mark as previously discussed.

WHEREFORE, premises considered the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-003164 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 27 May 2013.


ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs


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