



GOLDEN ABC, INC.,  
Opposer,

-versus-

NATASHA (SHOECAT, INC.),  
Respondent- Applicant.

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}  
} IPC No. 14-2009-00246  
} Opposition to:  
} Appln. Serial No. 4-2009-500108  
} Date filed: 09 March 2009  
} TM: "SKETCHES"

### NOTICE OF DECISION

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### GREETINGS:

Please be informed that Decision No. 2013 - 112 dated June 20, 2013 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, June 20, 2013.

For the Director:

  
Atty. EDWIN DANILO A. DATING  
Director III  
Bureau of Legal Affairs



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Respondent-Applicant.

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DECISION NO. 2013- 112

X-----X

### DECISION

Opposer, GOLDEN ABC, INC. ("Opposer"), a domestic corporation with business address at 880 A.S. Fortuna Street, Banilad, Mandaue City, Cebu filed an opposition to Trademark Application Serial No. 4-2009-500108.<sup>1</sup> The application filed by NATASHA (SHOECAT, INC.) ("Respondent-Applicant"), also a domestic corporation with office address at 1610 Amang Rodriguez Avenue, Brgy. De La Paz, Pasig City, covers the mark "SKETCHES" for use on *"cosmetics, bath and body products namely, soaps, shower and bath gel, shower and bath foam, mascara, lipstick, bubble bath and toilet soap, perfumery, fragrances, essential oils, hair lotions and hair care preparations, hair shampoo, dentifrices, salts, oils and other additives for use in cleansing of the skin, body, hands and feet, deodorants and anti-perspirant for use on the person, talcum powder, lip conditioners, moisturizing creams and body lotions"* under Class 03 of the International Classification of Goods.<sup>2</sup>

The Opposer alleges the following:

### "GROUND FOR THE OPPOSITION

"THE SUBJECT MARK "SKETCHES" IS EXACTLY THE SAME AND IS CONFUSINGLY SIMILAR TO THE OPPOSER'S REGISTERED "SKETCHES" MARKS. MOREOVER, THE SUBJECT MARK IS APPLIED FOR CLASS 03, A CLASS UNDER THE NORMAL POTENTIAL AREA OF EXPANSION OF THE OPPOSER'S "SKETCHES" MARK. THUS, THE SUBJECT "SKETCHES" APPLICATION SHOULD BE REJECTED.

### STATEMENT OF FACTS

xxx

"2. The Opposer, since 1986, has been engaged in the retail business, selling men's and women's wearing apparel, toilette/bath and personal care products, fashion accessories, and paper products bearing trademarks 'PENSHOPPE' AND 'OXYGEN' in various department stores, boutiques, outlets, and specially stores nationwide. The Opposer operates a total of 122

<sup>1</sup> The application was published in the Intellectual Property E-Gazette on 14 June 2009.

<sup>2</sup> 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 Registration of Marks concluded in 1957.

company-owned 'PENSHOPPE' boutiques and up to 75 'PENSHOPPE' concessionaire outlets in major department stores nationwide, 50 'OXYGEN' boutiques and up to 27 'OXYGEN' concessionaire outlets in major department stores nationwide, 25 'MEMO' BOUTIQUES AND UP TO 6 'MEMO' consessionaire outlets in major department stores nationwide, and 30 'FORME' boutiques nationwide. The Opposer also recently acquired the 'REGATTA' mark and all its 8 stores nationwide. At the outset, the Opposer has sold products under Class 25 and 03, among others, and has registered its marks in the said Classes (Classes 25 and 03), among others.

"3. The Opposer has registrations in Classes 25, 18, 03 for the following marks: 'PENSHOPPE', 'OXYGEN', 'MEMO', 'FORME', and several other marks and sub-brands.

"4. As early as September 28, 1992, the Opposer applied for the trademark registration for the mark 'SKETCHES' (as a sub-brand of 'PENSHOPPE') in Classes 16, 24, 14, 25, and 18. A certificate of registration was issued by the IPO to the Opposer on April 5, 1995. xxx

"6. The Opposer likewise applied for and registered a number of 'sub-brands' for its 'PENSHOPPE' products under Class 03. xxx

x      x      x

"7. The Opposer likewise applied for and registered a number of 'sub-brands' for its 'OXYGEN' products under Class 03. These are the following:

x      x      x

In addition, the Opposer also uses the 'STATIC' and 'G.A.S' for its OXYGEN products under Class 03.

"8. In addition, the Opposer also uses the sub-brands "sub-brands" for its "MEMO" products under Class 03. These are the following:

- a) "MEMO;"
- b) "MEMO WITH M LOGO;" and
- c) "M LOGO."

x      x      x

"9. The Opposer likewise applied for and registered 'FORME' in Class 03. xxx

"10. The Opposer likewise applied for and registered 'DENIMLAB' in Class 03. xxx

"11. In other words, the Opposer registers almost all of its marks in Class 03. The products under Class 25 are related with the goods under Class 03 such that Class 03 is within the potential expansion area of the Opposer's 'SKETCHES' mark.

"12. Since its adoption and its continued use in commerce up to the present day, the Opposer's PENSHOPPE, OXYGEN, MEMO, FORME, DENIMLAB, SKETCHES, and other marks (including REGATTA) have been developed and have been applied for trademark registration for the following and similar products: shirt, jackets, jeans, footwear, sandals, shoes, towels, bags, socks, handkerchiefs, as well as perfumes, eau de toilette, body sprays, bath soaps, underwear, trinkets, bracelets, and other fashion accessories and paper products.

"13. The Opposer is filing this Opposition against the registration of the mark 'SKETCHES' on the ground that it creates confusion of origin, source, and business - causing injury and damage on the Opposer's original trademark 'SKETCHES'."

The Opposer's evidence consists of the following:

1. Exhibit "A" - Certified copy of the Certificate of Registration No. 60398 for the mark SKETCHES (Script) Original Concept by Penshoppe;
2. Exhibit "B" to "B-53" - Copies of the various certificates of registration of Penshoppe's sub-brands;
3. Exhibit "C" to "C-10" - Copies of the various certificates of registration of OXYGEN's sub-brands;
4. Exhibit "D" - Product Catalog for the fragrances of OXYGEN;
5. Exhibit "E" to "E-2" - Copies of the various certificates of registration of MEMO's sub-brands;
6. Exhibit "F" - Copy of Certificate of Registration No. 4-2004-004437 for the mark FORME; and
7. Exhibit "G" - Copy of Certificate of Registration No. 4-2006-003229 for the mark DENIMLAB.

This Bureau issued on 09 November 2009 a Notice to Answer and served a copy thereof to the Respondent-Applicant's counsel on 13 November 2009. After three (3) Motions for Extension of Time to File Answer, Respondent-Applicant filed the Answer on 12 March 2010 alleging, among others, the following:

#### "AFFIRMATIVE ALLEGATIONS

x            x            x

"3.1. Respondent-Applicant or Natasha is a **direct selling** company carrying shoes, apparel, accessories and personal care products. Natasha works through a **network of dealers who sell its products person to person using Natasha catalogues**. Direct selling is a method of selling which attempts to bring products or information about the products directly to the individual consumer who can see and touch the products. Direct selling is set up for greatest communication impact.

"3.1.1 Since Natasha's incorporation in 1989, it has steadily grown to become one of the leading direct selling companies in the country. Natasha's extensive network of dealers makes good quality products accessible and affordable to people all over the country. And with the recent efforts to tap OFWs as dealers, Natasha products are now also available in more than 20 countries worldwide. The strongest overseas markets are Hong Kong, Malaysia, Brunei and the Middle East. The company's motto is "Kung Saan May Pinoy, May Natasha" and this is really becoming so.

"3.1.2 Natasha has now established itself in the developed markets of Europe and North America as well as the emerging markets of Asia and the Middle East. Natasha is now available across the globe through Service Centers in the following countries:

- |             |            |
|-------------|------------|
| • Abu Dhabi | • Macau    |
| • Australia | • Malaysia |
| • Bahrain   | • Oman     |



- Brunei
- Germany
- Hong Kong
- Israel
- Japan
- Kuwait
- Lebanon
- Qatar
- Saipan
- Saudi Arabia
- Singapore
- Spain
- U.S.A

"3.2 Since 1986, Respondent-Applicant has sold and continued to sell its various products under the house mark "Natasha" (for shoes apparel, accessories, and personal care products) and "Natasha Beauty" (for personal care products) and their various sub-brands. For goods under Class 3, Respondent-Applicant has used various sub-brands, such as Claudine, Jericho, Spa, Clarisse, Kiss, Rain, Pink Blooms, Red Carpet, including the trademark 'SKETCHES'.

"3.2.2 The 'SKETCHES' trademark was adopted by Natasha initially as a trademark for its cosmetics and make-up line, working under the concept that the human face is like an artist's canvass where beauty can be sketched or portrayed through the various colors of Natasha cosmetics. And since fragrances and other goods under Class 3 related to make-up are also carried by Natasha, Respondent-Applicant decided to extend the use of 'SKETCHES' to said goods.

"3.3 Respondent-Applicant sells all its products by direct-selling or face-to-face selling. And since Respondent-Applicant's products are sold by way of direct-selling, these products are not available in general department stores. One can purchase these products only at Respondent-Applicant's outlets, through registered distributors or by joining as a member of Respondent-Applicant's distribution network. Distributors of Respondent's- Applicant can buy products at distributor's price then sell the same directly to customers.

"3.4 For purposes of selling its goods by direct selling, Respondent-Applicant publishes catalogues that feature its various products. Respondent-Applicant's products, carrying Respondent-Applicant's various sub-brands are always advertised, promoted and sold under the 'Natasha' and 'Natasha Beauty' house marks. xxx

"3.5 For its catalogues and in its various advertisements for Class 3 products, Respondent's- Applicant has engaged the services of famous showbiz personalities to be its endorsers and image models of its various products, including 'SKETCHES' products. The endorsers include the Natasha Beauty Council members Renee Salud, Fanny Serrano and Robert Piñera. Image models include Marianne Rivera, Claudine Barretto, Jericho Rosales, Jennica Garcia, Judy Ann Santos and Lorna Tolentino. Respondent-Applicant also promotes and advertises its various products in its website: [www.natasha.ph](http://www.natasha.ph)

"3.6 Respondent-Applicant has spent huge amounts for the product development and for the advertising and promotion of its various products, including SKETCHES products. Due to such product development, advertising and promotion, the various SKETCHES products have been and are successfully being sold in the market.xxx

"3.6.1 Respondent-Applicant has engaged the services of Intercos Asia Pacific SDN BHD in Malaysia to develop and manufacture some of its 'SKETCHES' products. xxx

"3.7 Through long, continued and uninterrupted use of the 'Natasha' and 'Natasha beauty' house marks used on its various sub-brands including 'SKETCHES', Respondent-Applicant and its goods have gained renown and goodwill, in the Philippines and worldwide.

Currently, Respondent-Applicant has about 150,000 distributors of its various products including SKETCHES, in the Philippines and around the world.

#### SPECIAL AND AFFIRMATIVE DEFENSES

x x x

"4.1 Respondent-Applicant's trademark 'SKETCHES' is not confusingly similar to 'Sketches (Script) Original Concept by Penshoppe' so as to be likely to cause confusion, mistake or deceive ordinary purchasers into believing that the Respondent-Applicant's goods are those of the Opposer's, or that Respondent-Applicant's business is associated with or is sponsored by the latter.

"4.1.1 'A practical to the problem of similarity or dissimilarity is to go into the *whole* of the two trademarks pictured in their manner of display. Inspection should be done from the viewpoint of the prospective buyer. Some factors such as 'sound; appearance; form; style; shape; size or format; color; ideas connoted by the marks; the meaning. Spelling and pronunciation of words used; and the setting in which the words appear' may be considered.' Also, in deciding likelihoods of confusion, it is not realistic to compare the two marks naked and divorced from surrounding trade dress since this is not the way buyers view the goods in the market. Trademarks cannot be isolated from the labels on which they appear.'

"4.1.2 A comparison of Opposer's and Respondent-Applicant's trademarks as they appear on their respective products, and as these products are actually marketed, shows no confusingly similarity, as they convey and leave totally different commercial impressions upon the buying public. One look is enough to denude the mind of that illuminating similarity so essential for a claim of likelihood of confusion to prosper, to wit:

x x x

"4.1.3 Respondent-Applicant's mark consists of the word 'SKETCHES' in block capital letters while Opposer's mark consists of the word 'Sketches' in stylized script as well as the words 'Original Concept by Penshoppe'. These words clearly distinguish and point to Opposer as the source of the product on which said trademark is attached, Opposer being the source of 'Penshoppe' products.

"4.1.4 Confusingly similarity occurs when a mark is identical or is a colorable imitation of another. The phrase 'colorable imitation' denotes 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 him to purchase the one supposing it to be the other.' Comparisons of Opposer's Respondent-Applicant's trademark colorably imitate Opposer's trademarks. The trademarks of the Opposer and of the Respondent-Applicant are visually different from each other such that there is no way that buyers of Respondent-Applicant's products would mistake that they are actually buying Opposer's products.

x x x

"4.2.5 [T]he Bureau of Trademarks obviously did not consider Opposer's and Respondent's-Applicant's marks to be confusingly similar with each other. Otherwise, it would not have allowed the application.

"4.3 It also bears pointing out that the Opposer's mark 'Sketches (Script) Original Concept by Penshoppe' covers goods under Class 6, 14, 16, 18, 24 and 25 **only** (specifically shirts, t-shirts, polo shirts, pants, jeans, shoes, towels, belts, socks, patches, handkerchiefs, shorts, canvas

bags, leather bags, wallets, pens, paper products, key chains, jackets, coats) and not goods under Class 3. It is a basic trademark principle that registered trademarks are protected only to the extent of the goods enumerated in the trademark registration and goods similar thereto. Classes 6, 14, 16, 18, 24 and 25 goods are not related to Class 3 goods in such a way that Opposer can claim that Class 3 is a natural expansion for its 'Sketches (Script) Original Concept by Penshoppe.' It is noteworthy that: (i) Opposer has in fact registered other trademarks under Class 3 but not 'Sketches (Script) Original Concept by Penshoppe'; and conversely that (ii) Opposer has registered 'Sketches (Script) Original Concept by Penshoppe' for goods under other classes but not for goods under Class 3. If Opposer really meant to expand the use of such trademark to Class 3, why did it not register said mark for goods under Class 3 in the first place as it did its other marks? As between Opposer and Respondent-Applicant, it is Respondent-Applicant who first adopted and used 'Sketches' for goods under Class 3 and therefore, has a better right thereto.

"4.4 Another factor to be considered in determining confusing similarity is the fact that both Opposer's and Respondent-Applicant's goods are expensive products, such that buyers are bound to exercise due diligence and discrimination in the purchase thereof. Thus, there can be no confusion between Opposer's and Respondent-Applicant's products.

"4.5 Moreover, confusion as to the source of goods is in fact impossible considering that Opposer's and Respondent-Applicant's products are sold through different channels of trade. Respondent-Applicant sells its products via direct selling such that consumers can only purchase said products from Natasha outlets and from registered Natasha distributors.

"4.6 Finally, the mark 'SKETCHES', being a sub-brand of Respondent-Applicant is always promoted and advertised under the house marks 'Natasha' and 'Natasha Beauty.' 'SKETCHES' products are advertised through Respondent-Applicant's website and through 'Natasha' and 'Natasha beauty' catalogues. On the other hand, Opposer's products are admittedly sold through its boutiques and concessionaires. Its own 'Sketches' products also clearly bear the 'Penshoppe' mark.

"4.6.1 Thus, as presented and sold to the consuming public, Respondent-Applicant's 'SKETCHES' products can never be confused with Opposer's goods. Not only are the trademarks very different from each other, the products are also different and are sold through different channels of trade, and the source of Respondent-Applicant's goods, i.e. Natasha is clearly identified in Respondent-Applicant's marketing materials and paraphernalia.

x x x

"4.7 Contrary to Opposer's claim, dilution is inapplicable in the instant case. For there to be dilution, Opposer must, among others, establish that its 'Sketches (Script) Original Concept by Penshoppe' is a famous mark. xxx Opposer has not established nor even alleged that its 'Sketches (Script) Original Concept by Penshoppe' is a famous mark. Obviously, it is because Opposer cannot make such claims.

"4.8 The foregoing premises considered, it is clear that no harm or prejudice will result to Opposer if Respondent-Applicant's trademark 'SKETCHES' will be registered. Opposer's and Respondent-Applicant's trademark different and distinct from each other. On the other hand, the denial of Respondent-Applicant's application for registration, based on Opposer's belated claim to its alleged exclusive trademark rights will cause great damage to the Respondent-Applicant and its network of distributors. Obviously, the instant Opposition is merely a ruse or scheme developed by the Opposer to monopolize the market. It is an obvious effort to restrain trade or commerce which is in violation of law."



Respondent-Applicant's evidence consists of the following:

1. Exhibits "1" - Special Power of Attorney appointing the Law Firm of Hechanova Bugay & Vichez as Respondent-Applicant's Attorney-in-Fact; and
2. Exhibits "2" - Affidavit of Major Jardiolin with:

Annexes "A" to "A-18" - Samples of "Natasha" and "Natasha" Beauty Catalogues (for the years 2003 to 2009) promoting and advertising its Class 3 products;

Annexes "B" to "B-3" - Sample vouchers for expenses relative to cosmetic product testing and development ;

Annexes "C" to "C-12" - Sample Purchase Orders by Respondent-Applicant;

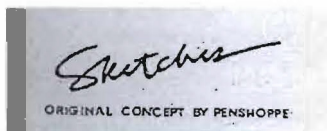
Annexes "D" to "D-4" - Sample Commercial Invoices of Intercos; and

Annexes "E" to "10" - Sample Purchase Orders for Respondent-Applicant's Class 3 products.

The issues having been joined, the Preliminary Conference was set on 27 April 2010. However, when the Mediation Rules of this Office took effect, this case was referred for mediation. On 12 May 2010, Opposer filed a Manifestation that it wants to pursue the opposition after considering the proposed settlement for the case. Accordingly, Order No. 2010-732 was issued on 01 July 2010 directing the parties to submit their respective position papers. Opposer and Respondent-Applicant filed their respective Position Paper on 16 July 2010.

Should the Respondent-Applicant be allowed to register the mark SKETCHES?

The marks of the parties as shown below are similar if not identical because both their marks consist of the word "SKETCHES". While differences can be observed like how the word "SKETCHES" is written, i.e., Opposer's is written in a stylized form while Respondent's is written in plain capital letters; the font used in the parties' marks are different; and Opposer's mark contain the additional phrase "Original Concept by Penshoppe" below the word "sketches", these differences are negligible because the defining feature of both marks is the word "SKETCHES".



*Opposer's Mark*

SKETCHES

*Respondent-Applicant's Mark*

In this regard, 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.<sup>3</sup> Thus, Sec. 123.1 (d) of the 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 Respondent filed its trademark application on 09 March 2009, Opposer has already an existing Certificate of Registration No. 60398 for the "SKETCHES" mark which was issued on 05 April 1995<sup>4</sup> and it has been using the mark on its products since then up to the present. While Respondent claim that since 1986 it has sold and continued to sell its various products under the house mark "Natasha" and "Natasha Beauty" as well as various sub-brands, such as Claudine, Jericho, Spa, Clarisse, Kiss, Rain, Pink Blooms, Red Carpet, including the trademark 'SKETCHES' for its goods under Class 03, no evidence, however, was submitted to prove use of the "SKETCHES" mark since 1986. It was only in 2009 that Respondent started purchasing SKETCHES cosmetics from Intercos Asia Pacific as shown by the Purchase Orders and Invoices.<sup>5</sup> This coincides with the year where the Respondent's application for registration of the mark "SKETCHES" was filed. Thus, it is very clear that Opposer adopted and used the mark SKETCHES way ahead of Respondent.

But are the goods of Respondent-Applicant where its mark "SKETCHES" is used closely related to the goods covered by the Opposer's trademark registration?

Respondent-Applicant's goods bearing the mark SKETCHES belong to Class 03 while that of Opposer's belong to Class 25, hence, they are of different classification. However, even if the goods of the parties belong to a different class it does not automatically obliterate the likelihood of confusion between two similar or identical marks. Opposer and Respondent are both engaged in the business of selling fashion and lifestyle items, the likelihood that the public will be confused or mistaken into believing that Respondent's SKETCHES products come from the Opposer or that information, assessment, perception or impression about the Respondent's goods bearing the mark SKETCHES may unfairly be cast upon or attributed to the Opposer and vice-versa, is not remote.

It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.<sup>6</sup> The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:<sup>7</sup>

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 he was purchasing the other. In which case, defendant's goods are then bought as the plaintiffs and the

<sup>3</sup>See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

<sup>4</sup> The trademark application was filed on 28 September 1992.

<sup>5</sup> See Annexes "C" to "C-12" and "D" to "D-4" of the Affidavit of Major Jardioli (Exhibit 2).

<sup>6</sup> *American Wire and Cable Co. v. Director of Patents, et al*, G.R. No. L-26557, 18 Feb. 1970, (31 SCRA 544).

<sup>7</sup> *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al*, G.R. No. L-27906, 08 Jan. 1987.

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

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

**WHEREFORE**, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2009-500108, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 20 June 2013.



Atty. **NATHANIEL S. AREVALO**  
Director IV  
Bureau of Legal Affairs