



SHARON T. FUENTEBELLA,
ROBERT F. TROTA, WILLIAM E. RODGES
and BENJAMIN F. SANVICTORES,
Opposers,

- versus -

DAVID G. LIM and JUDILYNE C. LIM,
Respondents-Applicants.

x ----- x

IPC No. 14-2009-00288

Opposition to:

Appln. Serial No. 4-2009-005685

Date Filed : 09 June 2009

Trademark : "MAX"

Decision No. 2014 - 21

DECISION

SHARON T. FUENTEBELLA, ROBERT F. TROTA, WILLIAM E. RODGERS and BENJAMIN F. SANVICTORES ("Opposers")¹ filed an opposition to Trademark Application Serial No. 4-2009-005685. The application, filed by DAVID G. LIM and JUDILYNE C. LIM ("Respondents-Applicants")², covers the mark "MAX" for use on rice³ under class 30⁴.

The Opposers alleged:

"1. The trademark 'MAX' so resembles, and is the dominant word of 'THE BAKESHOP – MAX'S' trademark owned by Opposers, registered with this Honorable Office on November 24, 2008, prior to the publication for opposition of the Respondents-Applicants' mark 'MAX'. The trademark 'MAX' which is applied for by the Respondents-Applicants will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark 'MAX' is also applied for the same class of goods as that of trademark 'THE BAKESHOP – MAX'S', that is, Class 30.

"2. The registration of the trademark 'MAX' in the name of the Respondents-Applicants will violate Section 123 of Republic Act No. 8293, otherwise known as the 'Intellectual Property Code of the Philippines.'

The facts of the case are as follows:

"4. The Opposers are the first to use its 'THE BAKESHOP – MAX'S' trademark for goods falling under Classes 30 and 43 in the Philippines. The Opposers have prior use and registration for the dominant word 'MAX' trademark in the Philippines. As a matter of fact, the Opposers own several marks which contain the dominant word 'MAX', which were earlier used and registered, as compared to the Respondents-Applicants who are still applying for registration of the marks. The Opposers were issued by the IPO the following certificates of trademark registration:

¹ With business address at Max's Baclaran Building, Roxas Boulevard, Baclaran, Paranaque City.

² With business address at Ma. Luisa Estate Park, Banilad, Cebu City.

³ The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 22 September 2009.

⁴ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

x x x

"5. The Respondents-Applicants' trademark 'MAX' is confusingly similar to the Opposers' trademarks considering the fact that the Respondents-Applicants' mark is the dominant feature in the Opposer's 'MAX'S RESTAURANT & LOGO', 'THE BAKESHOP - MAX'S', 'MAX'S EXPRESS', 'MAX'S SPRING CHICKEN', 'MAX'S MASARAP' and 'MAX'S CAFÉ' products which Opposers gained through tremendous effort and expense over a long period of time. This clearly constitutes an invasion of the Opposers' intellectual property rights.

"6. The use of the Respondents-Applicants' trademark 'MAX' under International Class 30 definitely misleads the public into believing that the products originated from, or are licensed or sponsored by, the Opposers, or that Respondents-Applicants are associated with or affiliates of the Opposers.

"7. The Respondents-Applicants have appropriated the trademark "MAX' under international Class 30 for the obvious purpose of capitalizing or riding on the valuable reputation, goodwill and popularity in the popular market for 'MAX'S RESTAURANT & LOGO', 'THE BAKESHOP - MAX'S', 'MAX'S EXPRESS', 'MAX'S SPRING CHICKEN', 'MAX'S MASARAP' and 'MAX'S CAFÉ' products which Opposers gained through tremendous effort and expense over a long period of time. This clearly constitutes an invasion of the Opposers' intellectual property rights.

x x x

"9. Undoubtedly, the use of the 'MAX' trademark and the sale and distribution of goods falling under international Class 30 by the Respondents-Applicants will inflict considerable damage to the interests of the Opposers. And to allow the Respondents-Applicants to register 'MAX' will constitute a mockery of our laws protecting intellectual property rights as it will legitimize the Respondents-Applicants' unfair and unlawful business practice.

"10. Furthermore, the Opposers' intellectual property right over its trademark 'THE BAKESHOP - MAX'S' is protected under Section 147 of Republic Act No. 8293. x x x

"11. By virtue of the Opposers' prior and continued use of the trademark 'THE BAKESHOP - MAX'S', the same has established valuable goodwill to the consumers and the general public as well. The registration and use by the Respondents-Applicants' confusingly similar trademark on their goods will enable the latter to obtain benefit from the Opposers' reputation, goodwill and advertising, and sores will even tend to deceive and/or confuse the public into believing that the Respondents-Applicants are somehow and someway connected with the Opposers. Likewise, the fact that the Respondents-Applicants seek to have their mark 'MAX' registered in the same class (Classification 30) as that of the trademark 'THE BAKESHOP - MAX'S' will undoubtedly increase the likelihood of confusion among the purchasers of these two goods."

The Opposers' evidence consists of the following:

1. Exhibit "A" - IPO E-Gazette Publication;
2. Exhibits "B"- "G" - Certified True Copies (CTC) of the Certificates of Registration for the trademarks "MAX'S RESTAURANT & LOGO", "THE BAKESHOP - MAX'S", "MAX'S EXPRESS", "MAX'S SPRING CHICKEN", "MAX'S MASARAP" and "MAX'S CAFÉ";
3. Exhibit "H" - CTC of Amended Articles of Incorporation of Max's Bakeshop, Inc.;
4. Exhibit "I"- "I-2" - CTC of delivery receipts for Max's Bakeshop;
5. Exhibit "J" - CTC of official receipt for Max's Kitchen, Inc.;

6. Exhibit "K"- "K-9" - Photocopy of provisional receipts for Max's Bakeshop;
and,
7. Exhibit "L"- "L-11" - Photocopy of the official receipts for Max's Bakeshop.

This Bureau served upon the Respondents-Applicants a Notice to Answer on 01 March 2010. The Verified Answer was filed on 30 April 2010. In the Answer, he denied all the grounds for the Opposition stating the following Affirmative Defenses:

"A. There is no likelihood of confusion between the Opposers' mark and that of the Respondents-Applicants.

"5. Contrary to the Opposers apprehension that the Respondents-Applicants' mark will likely cause confusion with the consumers in relation to their registered trademark, the contesting marks could not be confused with each other. There are several factors, like the known DuPont Factors, that would negate confusion of the two marks by consumers. The contesting marks differ in overall appearance, sound, and consumer impression created, such that there is no likelihood of confusion.

x x x

"7. As shown below, the Opposers' mark is clearly a composite mark – a unitary mark created by Compound Words Formed with Hyphen or Other Punctuation, to be specific. In view of this fact, this Honorable Bureau should employ the 'Anti-dissection rule' in this case. The anti-dissection rule, which is analogous to our holistic test, provides that courts must consider and compare composite marks in their entirety. A composite cannot be dissected or split up into its component parts and compare with corresponding parts of the conflicting mark to determine the likelihood of confusion. The commercial impression that a composite mark relays to an ordinary prospective buyer is created by the mark as whole and, not by its component parts. Thus, a composite mark should be considered in its entirety. Likewise, the similarity of the contested marks should be assessed as they are encountered in the marketplace.

The Opposers' mark is:

THE BAKESHOP –MAX'S

"8. As could be seen the Opposers' mark has no dominant feature. The letters forming the Opposers' mark as shown above are of the same size and of the same typo face. No letter or word stands out from the rest. Moreover, the hyphen (-) unifies and converts the words 'BAKESHOP' and 'MAX'S' into a single word – essentially creating a unified and singular impression on the reader. This Honorable Bureau may take judicial notice that under the rules in English grammar, hyphens are mostly used to join ordinarily separate words into a single word and to make clear the unifying of the sense in compound expressions.

"9. Furthermore, the Opposers' goal for their mark is for it to be known in its entirety, and the words 'BAKESHOP' and 'MAX'S' to be known as a single word. This intention is clear from their conscious decision to incorporate the word 'BAKESHOP' into the mark with the use of a hyphen.

"10. The Opposers know fully well that by incorporating the word 'BAKESHOP' in their mark 'THE BAKESHOP – MAX'S', their mark would be considered as a very weak trademark or service mark – and is in fact merely descriptive of the goods and services it represents in this case – and can only be afforded narrow protection. However, despite knowledge of the detrimental effect that the word 'BAKESHOP' would have on their mark, Opposers still went on to incorporate the word 'BAKESHOP' to the mark and sought its registration as shown above –

this conscious choice highlights the utmost importance of the word 'BAKESHOP' in the Opposers' mark. For the Opposers, a very weak mark that easily describes and identify the goods or services they provide is preferable than an inherently strong and distinctive mark. For sure, much thought has been given whether or not to incorporate the word 'BAKESHOP' into the mark. Again, this thought process highlights the importance of the word 'BAKESHOP' to the mark. Thus, the Opposers could not just relegate the word 'BAKESHOP' as a minor component of their mark. The Opposers could have opted for a stronger mark by seeking the registration of the word 'MAX'S' aloud and leave out the word 'BAKESHOP' from the mark. Anyway, no one could stop them from using the word 'BAKESHOP' should they want to use it together with the word 'MAX'S' in the actual use of the latter mark. But because the word 'BAKESHOP' is equally important as the word 'MAX'S', they decided to incorporate it and emphasize its importance by showing its relation to the word 'MAX'S' with the use of the hyphen.

x x x

"Probable Purchaser Attitude and Habits

"17. Being distributors of milled rice, the primary customers of the Respondents-Applicants are rice retailers who would purchase sacks of rice in bulk. Purchasers that would ran into thousands, if not hundreds of thousands of pesos in a single transaction. With the amount of money involved, retailers would surely want to know the source of the product they are purchasing. Besides, in the line of business that the Respondents-Applicants and retailers are in, there is a need to build a close business relationship with each other since some purchasers are made through credit. Furthermore, retailers need to keep a close tab of who among the rice distributors are selling milled rice at a competitive price – rice retailer know their rice distributors.

x x x

"Marketing Activities

"21. This Honorable Bureau may take judicial notice that rice distributors rely on word-of-mouth and do not take aggressive marketing activities for their rice brands. Most rice distributors known for a fact that Filipinos have such intimate knowledge on the different qualities of rice, and the amount that one should pay for the quality of rice, that aggressive advertising would have little effect on the consumers because what would ultimately convince a Filipino to purchase rice is the quality of rice he has personally observed. The only reliable marketing strategy for a rice distributor is to come up consistently with the same quality of rice, since the trust that a Filipino consumer places on a certain rice brand is as good as the last purchase only. x x x

"Retail Outlets

"23. The retail outlets that would sell the Respondents-Applicants' rice products could be found anywhere: it may be a stall in the market or a 'sari-sari' store in a 'barangay.' The stores selling the Respondents-Applicants' rice would not be defined by a certain look. On the other hand, the Opposers' products could not only be bought at their bakeshop, the location of which is definitely known to its patrons. Furthermore, the Opposers' bakeshop would be defined by a certain concept or theme look- as their other products or services have been. With the specific look and feel that the Opposers give to their products and bakeshop, it is certain that their consumers would not be misled to think that the Respondents-Applicants' product bearing the mark 'MAX' is sponsored by the Opposers since the respondents-Applicants' packaging and labelling are inconsistent with the look and feel that the Opposers have usually given their products.

x x x

“Commercial Impression

“25. The commercial impression that the Opposers’ mark creates is readily appreciated by the consumers and no further thought process to understand the mark is needed because of the word ‘BAKESHOP’. The Opposers’ mark leaves no other interpretation for the consumers, such that even without seeing the goods or services that the Opposers offer, the consuming public would readily understand that the Opposers are offering bakeshop products.”

Should the Respondents-Applicants be allowed to register the trademark “MAX”?

The Opposers anchor their opposition on Section 123.1(d) of Republic Act No. 8293, otherwise known as The Intellectual Property Code of the Philippines, which provides that:

A mark cannot be registered if it:

x x x

(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;

As culled from the records and the evidence presented by the parties, at the time the Respondents-Applicants filed their trademark application on 09 June 2009⁵, the Opposers have prior applications and registrations issued for the following trademarks: “MAX’S RESTAURANT & LOGO” (filing date: 15 March 1989; registration date: 18 July 1990)⁶; “THE BAKESHOP – MAX’S” (filing date: 04 March 2008; registration date: 24 November 2008)⁷; “MAX’S EXPRESS” (filing date: 11 February 2009; registration date: 27 April 2009)⁸; “MAX’S SPRING CHICKEN” (filing date: 11 February 2009; registration date: 27 April 2009)⁹; “MAX’S MASARAP” (filing date: 11 February 2009; registration date: 27 April 2009)¹⁰; and, “MAX’S CAFÉ” (filing date: 10 February 2009)¹¹. Also, the Opposers’ marks are used on goods classified as “meats and processed foods” (Class 29) and “staple foods” (Class 30). The Respondents-Applicants application covers “rice” which is a staple food under Class 30.

⁵ File wrapper records.
⁶ Exhibit “B” of Opposers.
⁷ Exhibit “C” of Opposers.
⁸ Exhibit “D” of Opposers.
⁹ Exhibit “E” of Opposers.
¹⁰ Exhibit “F” of Opposers.
¹¹ Exhibit “G” of Opposers.

In this regard, the competing marks are reproduced below for purposes of comparison, to wit:



MAX'S FRIED CHICKEN

MAX'S EXPRESS

Opposers' Trademarks

MAX

Respondents-Applicants' Trademark

While the Opposers' marks are composite marks there is no doubt that the defining features in each of the marks is the word "MAX'S". "MAX'S" confers upon the marks their distinctive visual and aural properties. Considering therefore, that the Respondents-Applicants' mark is used on goods that are closely related to the Opposers' goods and services, there is the likelihood of the consumers to have the impression that the parties and their respective goods are connected to each other. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

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, the 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.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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 product.¹²

Thus, this Bureau finds the likelihood to mislead the public, particularly as to the nature, quality and characteristics or geographical origin of the goods or services;¹³ and the likelihood of confusion, or even deception to occur. The competing marks need not be identical or similar in all details. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.¹⁴

The field from which a person may select a trademark is practically unlimited. As in all cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹⁵ This Bureau finds merit in the Opposers' contention that:

The registration and use by the Respondents-Applicants' confusingly similar trademark on their goods will enable the latter to obtain benefit from the Opposers' reputation, goodwill and advertising, and worse, will even tend to deceive and/or confuse the public into believing that the Respondents-Applicants are somehow and somehow connected with the Opposers.¹⁶

WHEREFORE, the instant Opposition is hereby **SUSTAINED** on the grounds stated above. Let the file wrapper of Trademark Application No. 4-2009-005685 be returned together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 January 2014.


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

¹² Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

¹³ Section 123(g), IP Code.

¹⁴ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 4 April 2001, 356 SCRA 207, 217.

¹⁵ American Wire and Cable Co. v. Director of Patents et. al. (SCRA 544), G.R. No. L-26557, 18 Feb. 1970.

¹⁶ 2nd sentence, par. 11 of Opposition.