



UNIVERSAL CITY STUDIOS, INC.,  
Opposer,

-versus-

BELL FILMS, INC.,  
Respondent-Applicant.

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}  
} IPC No. 14-2001-00033  
} Opposition to:  
} Appln. Serial No. 4-1995-99358  
} Date filed: 30 March 1995  
} TM: "UNIVERSAL RECORDS"  
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**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2012 – 224 dated November 15, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, November 15, 2012.

For the Director:

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



**UNIVERSAL CITY STUDIOS, INC.,**  
*Opposer,*

**IPC No. 14-2001-00033**  
Opposition to:

- versus -

Appln. Serial No. 4-1995-99358  
(Filing Date: 30 Mar. 1995)

**BELL FILMS, INC.,**  
*Respondent-Applicant.*

Trademark: **UNIVERSAL  
RECORDS**

x-----x

Decision No. 2012 - 224

## DECISION

UNIVERSAL CITY STUDIOS, INC.<sup>1</sup> ("Opposer"), filed on 28 September 2001 an opposition to Trademark Application Serial No. 4-1995-99358. The application, filed by BELL FILMS, INC.<sup>2</sup> ("Respondent-Applicant"), covers the mark "UNIVERSAL RECORDS" for use on "*music phonograph products, particularly cassette tapes, compact discs, laser discs, digital audio tapes*" under Class 9 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer alleges the following:

"1. Opposer is the registered owner of the trademark UNIVERSAL having been the first to adopt and use the same in actual trade and commerce. Registrations in countries all over the world have been obtained, including the Philippines. The trademark UNIVERSAL which Opposer herein originated and adopted is known in the Philippines and elsewhere. Its products and services carried under said trademark had, through the years, earned international acclaim, as well as the distinct reputation of high quality products and services.

Opposer was issued by the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) Certificates of Registration Nos. 50075 and 4321 covering Classes 9 for 'film' and 41 for 'entertainment services - namely, production of motion picture films for theatrical and television use and distribution of such films produced by applicant and by others', respectively, for the trademark UNIVERSAL.

Opposer also owns pending trademark registrations for the UNIVERSAL & GLOBE DESIGN for Classes 9, 16 and 25 and for the UNIVERSAL RECORDS & GLOBE DESIGN for Class 9;

"2. Respondent-Applicant's trademark UNIVERSAL RECORDS so resembles

<sup>1</sup> A foreign corporation organized under the laws of the United States of America.

<sup>2</sup> With address on record at 135 P. Sevilla Street corner 3<sup>rd</sup> Avenue, Caloocan City, Metro Manila.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral 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.

Opposer's trademark UNIVERSAL, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Respondent-Applicant's goods either come from Opposer or are sponsored or licensed by it;

"3. The registration and use by Respondent-Applicant of the trademark UNIVERSAL RECORDS for 'music phonograph products, particularly cassette tapes, compact discs, laser discs, digital audiotapes' will diminish the distinctiveness and dilute the goodwill of Opposer's trademark UNIVERSAL, which is an arbitrary trademark when applied on Opposer's products and services;

"4. Respondent-Applicant adopted the trademark UNIVERSAL RECORDS on its own goods with the obvious intention of misleading the public into believing that its goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the source of goods bearing the trademark UNIVERSAL;

"5. Opposer is the first user of the trademark UNIVERSAL in Philippine commerce for many years; and

"6. Respondent-Applicant's appropriation and use of the trademark UNIVERSAL RECORDS infringe upon the Opposer's exclusive right to use the trademark UNIVERSAL, which is protected under Sections 4(d) and 37 of the Trademark Law, Sections 147 and 165 (2) (a) of the IP Code, Article 6bis and 8 of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and the United States of America adhere as signatories. The trademark UNIVERSAL of Opposer forms part of its tradename thus, is accorded due protection under Article 8 of the Paris Convention."

The Opposer also avers the following as facts:

"1. Opposer has adopted and used the trademark UNIVERSAL for its goods and services long before Respondent-Applicant's appropriation of the trademark UNIVERSAL RECORDS. Opposer has been commercially using the trademark UNIVERSAL prior to the appropriation and the filing of the application for the registration of the trademark UNIVERSAL RECORDS by the Respondent-Applicant;

"2. Opposer is the first user of the trademark UNIVERSAL. Opposer has also used, registered or applied for the registration of the trademark UNIVERSAL in many other countries worldwide;

"3. Opposer's trademark UNIVERSAL is an arbitrary trademark when used on goods and services in Classes 9 and 41, and is entitled to broad legal protection against unauthorized users like the Respondent-Applicant who has appropriated the infringing trademark UNIVERSAL RECORDS for its own goods;

"4. Opposer is the first user of the trademark UNIVERSAL for the above-mentioned goods and services. Respondent-Applicant has appropriated the

trademark UNIVERSAL RECORDS for the obvious purpose of capitalizing on the popularity and goodwill of Opposer's self-promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer. Respondent-Applicant adopted the mark UNIVERSAL RECORDS in bad faith with prior knowledge of the existence of Opposer's mark UNIVERSAL;

"5. The registration and use of a confusingly similar trademark by the Respondent-Applicant is a flagrant and veritable imitation of Opposer's trademark, which will tend to deceive and/or confuse purchasers into believing that Respondent-Applicant's products emanate from or are under the sponsorship of Opposer, for the following reasons:

- i.) The trademarks are substantially identical.
- ii.) The parties are using the trademarks basically for entertainment purposes.
- iii.) Respondent-Applicant used the trademark UNIVERSAL RECORDS on its own products as a self-promoting trademark to gain public acceptability for its products through its association with Opposer's popular UNIVERSAL trademark.
- iv.) The goods on which the trademarks are used or bought flow through the same channels of trade.

Respondent-Applicant intends to trade, and is trading on, Opposer's goodwill; and

"6. The registration and use of an identical trademark by Respondent-Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's trademark. Opposer has invested tremendous amount of resources in the promotion of its UNIVERSAL trademark, i.e. advertisements in well-known newspapers, magazines and other publications around the world. It is the resultant goodwill and popularity of Opposer's trademark that Respondent-Applicant wishes to exploit and capitalize. Accordingly, the use and approval for registration of Respondent-Applicant's trademark will constitute an infringement or invasion of the Opposer's intellectual property rights to its registered UNIVERSAL trademark, which is protected by law. Such will most assuredly cause the dilution and loss of distinctiveness of the Opposer's mark."

In its Answer dated 20 December 2001, the Respondent-Applicant specifically denied the material allegations in the notice of opposition and interposed the following affirmative allegations and defenses:

"[A]

Applicant has prior use of, and continues to use, the trademark UNIVERSAL RECORDS with respect to music products.

"a. Applicant has established goodwill in the Philippines through its presence in the Philippine music industry for more than a decade now.

"5. Applicant is a lawful and legitimate business entity engaged in the manufacture and distribution of music products in the Philippines. From January 1991 to present, applicant has been engaged in producing,

manufacturing and distributing various sound releases in different formats – from cassette tapes, compact discs, laser discs, and digital audio tapes – for Original Pilipino Music ('OPM') under the trademark UNIVERSAL RECORDS. Applicant has likewise been designated as a legitimate licensee of mechanical rights for the reproduction of various foreign sound releases owned by foreign recording outfits, which have been distributed in the Philippines also under the trademark UNIVERSAL RECORDS;

"6. Through the years, applicant has been the producer, manufacturer and distributor of top grossing music albums of famous musicians, singers and artists, whether local or foreign, using the trademark UNIVERSAL RECORDS. Applicant's sales levels have, time and again, reached the mark for Gold (equivalent to record sales of 20,000 units and above), Platinum (equivalent to record sales of 40,000 units and above), and even Double Platinum (equivalent to record sales of 80,000 units and above) Awards;

"7. In support of the foregoing, the Affidavit of Ms. Bella Tan provides a list of top grossing music albums produced, manufactured and distributed by applicant in the Philippines from January 1991 to present with their respective sales levels;

"8. Applicant has earned significant and extensive goodwill in the Philippine music industry with respect to its music products under the trademark UNIVERSAL RECORDS. Applicant has and continues to undertake massive advertisements, promotions, and sponsorships of its artists and their record albums through concerts, album launchings, television, radio and print ads for over ten (10) years to date. In promoting its music products, applicant's exclusive recording artists are required to regularly 'plug' their record albums under the label UNIVERSAL RECORDS on national television and radio or during concerts held in various venues nationwide, like schools, malls, concert venues like the Folk Arts Theater, Araneta Coliseum, ULTRA, Cultural Center of the Philippines, among others;

"9. In most record stores, music albums are arranged according to the production company producing the same by conspicuously displaying applicant's UNIVERSAL RECORDS mark on the shelf; hence, the high probability for Filipino consumers to be familiar with applicant's mark UNIVERSAL RECORDS, together with its distinctive logo, on its music albums;

"b. Applicant's prior use is preferred over the alleged rights of opposer under Articles 6bis and 8 of the Paris Convention and Article 16 of the TRIPS Agreement.

"10. Opposer claims its exclusive right to use the mark UNIVERSAL pursuant to Article 6bis of the Paris Convention, to wit: x x

"11. Opposer's goods may be considered well-known in this jurisdiction, but it is only associated with its films/motion pictures. Applicant, on the other hand, has attained goodwill with respect to its music products, which cannot be considered similar or identical with opposer's goods;

"12. If this Office would allow the instant verified notice of opposition, it would

be opposer that would be, in effect, capitalizing on the goodwill and popularity applicant has long established over the mark UNIVERSAL RECORDS in the Philippines. Opposer has never used the mark UNIVERSAL and/or UNIVERSAL RECORDS in actual commerce in the Philippines with respect to the production of music products. If opposer is allowed to use the name UNIVERSAL RECORDS so as to exclude applicant therefrom, opposer will be considered to have been unjustly enriched at the expense of applicant, who, however, was the one who has incurred substantial investment to create the goodwill connected to the disputed mark;

"13. By the time it decides to do business in the Philippines as a recording outfit, opposer would have the benefit of buyer recognition by the Filipino market for the mark UNIVERSAL RECORDS, as if it was applicant who produced the same. The confusion lies as to the origin of applicant's goods, which may be mistaken or confused to belong to opposer, if it starts operating as a music company in the Philippines;

"14. Opposer may seek protection for its exclusive use of UNIVERSAL under Article 16 of the Trade Related Aspects of Intellectual Property Rights Agreement ('TRIPS Agreement') only for similar or identical goods, viz: x x x

"15. Clearly, under the afore-quoted treaty provision, applicant's prior use is an existing prior right, which will not be prejudiced by opposer's alleged claim of exclusive use of the mark UNIVERSAL and/or UNIVERSAL RECORDS. Applicant's basis for registration is pursuant to Section 2-A, RA 166: x x x

"16. Applicant has acquired exclusive ownership to the mark UNIVERSAL RECORDS on the basis of its prior and actual use thereof, as compared to opposer, which never used the mark for music products in this jurisdiction;

"17. In the same manner, opposer cannot claim exclusivity for the use of UNIVERSAL and/or UNIVERSAL RECORDS on the strength of Article 8 of the Paris Convention, which provides that 'a trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.' Opposer cannot invoke this provision of the Paris Convention on the face of applicant's prior use, which is a preferred right.

"[B]

Consumer confusion is highly unlikely since applicant and opposer actually use the mark UNIVERSAL for different products, as in fact the general appearance of their respective marks are not the same.

"a. Opposer is not engaged in actual and commercial use of the mark UNIVERSAL and/or UNIVERSAL RECORDS with respect to music products.

"18. Opposer, on the other hand, has not used its mark UNIVERSAL in actual trade and commerce in the Philippines with respect to music products, but only with respect to the production and distribution of motion pictures/films. Prior to and during the time when applicant has been in use of the mark UNIVERSAL RECORDS, opposer has not released a single recording album under the mark UNIVERSAL;

"19. In fact, opposer itself alleged that its mark UNIVERSAL was registered with the then BPTTT under:

(a) Certificate of Registration No. 50775, which refers to the use of the mark UNIVERSAL for 'film' under Class 9;

(b) Certificate of Registration No. 43201, which refers to the use of the mark UNIVERSAL for 'entertainment services – namely, production of motion picture films for theatrical and television use and distribution of such films produced by applicant and by others' under Class 41.

Moreover, to establish its actual use in commerce, opposer offered as evidence x x x video labels of various motion pictures produced by opposer. Clearly, opposer's own evidence validates that its presence in the Philippines is restricted to production of motion picture/films only;

x x x

"21. Thus, opposer's exclusive right to the use of the trademark UNIVERSAL is limited to the particular goods or service as indicated in its Certificates of Registration, which do not provide that opposer has exclusive right to use the disputed trademark on music products. The foregoing is supported by the decision of the Supreme Court in the case of *Faberge, Incorporated vs. Intermediate Appellate Court* (215 SCRA 316), which interpreted Section 20, RA 166 as to refer to a situation wherein the exclusive right of the senior user is limited only to the goods specified in the certificate of registration;

x x x

"b. No deception or confusion as to the origin/source of the products can possibly arise between applicant's music products under the mark UNIVERSAL RECORDS and opposer's motion pictures/films since both goods are not similar or identical goods.

"23. Applicant's music products on its own are different from opposer's motion pictures. Applicant's music products are enjoyed by consumers through listening; while opposer's motion pictures are appreciated by viewing the same. For this reason, trademark examiner Wilfredo P. Pulmano allowed the present application for publication, finding the same to have qualified pursuant to Section 4 of RA 166;

x x x

"c. The trade channels of the goods of applicant and opposer are different, which render both goods as non-competitive.

"28. Opposer's goods (motion pictures/films) and those of applicant (music products) flow through different channels of trade. Applicant's music products, such as cassette tapes, compact discs, digital audio tapes, and the like are normally purchased by the consumer from record stores/bars. On the other hand, motion pictures, such as those produced by opposer, may be viewed by

either proceeding to a movie house or renting video tapes from video stores;

"d. No infringement can be attributed to applicant since the general appearance of applicant's mark UNIVERSAL RECORDS is substantially different from that of opposer's UNIVERSAL.

x x x

"30. Applicant's mark UNIVERSAL RECORDS is designed in 'small caps' utilizing the standard typeface called UNIVERSAL in the family of typefaces. The trademark makes use of the letters 'U' and 'R' and is incorporated as one icon. While the configuration of the letter 'U' represents the first word in the name UNIVERSAL, the schematic relationship of the 'globule' in 3-D effect attached as a serif on the letter 'U' forms the letter 'R' in small caps. The latter represents the word RECORDS. The globule visually supports the connotation of the word UNIVERSAL. Although the word RECORDS forms part of the subject mark, applicant has disclaimed the right to the exclusive use of said word;

"31. On the other hand, opposer's mark UNIVERSAL is simply a word mark without any logo whatsoever under Certificates of Registration Nos. 50075 and 43201. Opposer's registered mark is simply typed in 'all-caps' slim letters versus the 'all-caps' bold letters of the word UNIVERSAL in applicant's mark;

"32. It is clear that applicant's trademark UNIVERSAL RECORDS as a whole is not confusingly similar to Opposer's UNIVERSAL. Accordingly, the dissimilarities between the two (2) marks become conspicuous, noticeable and substantial enough to matter, especially since the products involved in the case at bar are, in the main, music products as compared to opposer's products, which are essentially limited to motion pictures/films;

"e. Opposer's use of the mark UNIVERSAL has not acquired secondary meaning *vis-a-vis* association by Filipino buyers that the mark UNIVERSAL RECORDS belongs to applicant.

"33. The fact that opposer claims that its mark UNIVERSAL has acquired popularity status in the Philippines and elsewhere does not provide sufficient ground so as to exclude other users of the disputed mark, such as applicant herein, for goods which opposer is not engaged in commerce in this jurisdiction. This is especially so since Filipino consumers have not identified opposer to be dealing in the products being traded by applicant;

"34. The possibility that consumers may confuse the music albums produced by applicant under the mark UNIVERSAL RECORDS *vis-a-vis* the motion pictures/films produced by opposer under the mark UNIVERSAL is far-fetched inasmuch as the latter is not even engaged in sound production releases in the Philippines;

"35. Opposer's goods cannot be confused with applicant's music products under the mark UNIVERSAL RECORDS because applicant has acquired popularity and goodwill on its own efforts. Any goodwill attached to the mark UNIVERSAL RECORDS has been acquired independent of the alleged popularity of opposer's mark UNIVERSAL, which, in the first instance, is only limited to its sale and production of motion pictures/films. In this sense, opposer's use of the mark



UNIVERSAL is weak, not distinctive, and has not acquired secondary meaning so as to exclude applicant from using the mark UNIVERSAL RECORDS. Filipino consumers independently associate the mark UNIVERSAL RECORDS to the local recording outfit, applicant herein;

x x x

"37. The respective products of the parties are purchased based on its contents. On the part of opposer, the title of the movie and the artists who were casted to appear in its motion pictures are the factors considered by the buying public. On the other hand, the recording artist, the title of the album, and the songs included therein are the factors considered in purchasing applicant's sound releases. These details are taken into consideration by the average consumer, who is able to discern whether to buy the same or not without necessarily being deceived or confused as to its owner or origin. All told, there is therefore no cause for opposer's trepidation that applicant's goods or services might be mistaken as merely derived from opposer's UNIVERSAL trademark;

"[C]

Opposer's pending applications will not overcome applicant's prior right over the mark UNIVERSAL RECORDS because the latter has both priority in filing and use.

"38. Opposer claims that the fact of registration of the mark UNIVERSAL in its name vests upon it absolute control and ownership thereto. Opposer's assertion is erroneous;

"39. The fact of registration of the mark UNIVERSAL did not vest upon opposer absolute control or ownership thereto. Verily, the credibility placed on a certificate of registration of one's trademark, or its weight as evidence of validity, ownership and exclusive use, is qualified. A registration certificate serves merely as prima facie evidence. It is not conclusive but can and may be rebutted by controverting evidence;

"40. More importantly, applicant has priority in filing. Applicant's application was filed on 30 March 1995, as published in this Office's Official Gazette, page 18, Volume IV, No. 2, page 18, which was released last 13 June 2001;

"41. Opposer's pending applications for 'UNIVERSAL & GLOBE DESIGN' under Classes 9, 16 and 25, respectively, were all filed on 11 April 1997 only. Opposer's pending application for UNIVERSAL RECORDS & GLOBE DESIGN under Class 9 was filed on 23 August 1996 only per results of online trademark search from this Office's website;

"42. Considering that opposer's pending applications were filed much later (23 August 1996 and 11 April 1997) than the filing date of applicant (30 March 1995), applicant has in its favor the priority in the prosecution of its application over that of opposer's subsequent applications;

"43. Opposer's subsequent pending applications do not create a prior right over the disputed mark especially since applicant has prior use over said mark with

respect to music albums; x x x

“[D]

Opposer is guilty of laches or acquiescence when it allowed applicant to use the mark UNIVERSAL RECORDS for almost ten (10) years.

“44. Assuming for the sake of argument that opposer has a better right than applicant, opposer has acquiesced to applicant's continued use of the mark UNIVERSAL RECORDS for over ten (10) years or so. Applicant managed to build up valuable goodwill around the subject mark and as a result, acquired distinctive reputation with respect therewith. In all those years, opposer never bothered to resort to other legal remedies available to it at that time and chose to challenge applicant's use for the first time through this present action;

“45. Through its inaction or silence since applicant started to adopt the mark UNIVERSAL RECORDS, opposer tolerated the use thereof by applicant on music products. Applicant is a legitimate business entity and has been very visible in the Philippines. Surely, the large-scale publicity, sale and distribution of applicant's music products under the mark UNIVERSAL RECORDS could not have gone unnoticed by opposer and/or its representatives/agents in this country; and

“46. Opposer's inaction may be attributed to the fact that applicant's use of the mark UNIVERSAL RECORDS was not in competition, whether direct or indirect, with opposer's products. Opposer did not bother from the beginning to challenge applicant's prior use of the mark UNIVERSAL RECORDS, since opposer was not in actual use thereof.”

The Opposer, in its Reply filed on 05 March 2002, avers the following:

“1. Article 6bis of the Paris Convention, a multilateral treaty that seeks to protect industrial property, is a self-executing provision and governs protection of well-known trademarks. Nationals of the various member nations are thus, assured of international protection of their industrial property. This is affirmed by the TRIPS Agreement.

“2. Opposer is not guilty of laches or acquiescence.”

After the conduct of the pre-trial conferences, Office Order No. 79, series of 2005 took effect, adopting the summary rules for inter *partes* cases, including opposition cases. The parties, however, opted to be governed by the old rules of procedure. And while the case underwent mediation, the parties fail to reach an agreement on an amicable settlement.

During the trial, the Opposer presented several witnesses and offered the following documentary evidence:

1. Exh. “A” to “A-2”- Affidavit of Ronaldo D. Santos;
2. Exh. “A-3”- Landmark price tag for the Mark Herras Dance Hits CD;
3. Exh. “A-4”- Receipt issued by Landmark covering the sale of Mark Herras Dance

Hits CD for Php199.00;

4. Exh. "A-5"- Back CD cover of "MARK HERRAS DANCE HITS" showing the mark UNIVERSAL RECORDS;
5. Exh. "A-6"- Actual CD of "MARK HERRAS DANCE HITS" showing the UNIVERSAL RECORDS mark;
6. Exh. "A-7"- Front cover of "MARK HERRAS DANCE HITS";
7. Exh. "D" to "D-2"- Affidavit of Ian Mitchell S. De Vera;
8. Certificates of registration for the mark UNIVERSAL RECORDS in various countries for goods under Class 9:
  - a. Exh. "E" to "E-2"- United States (Reg. No. 2,098,208);
  - b. Exh. "F" to "F-5"- France (Renewal No. 1488300 and Reg. No. 96610047);
  - c. Exh. "G" to "G-1"- Africa (Reg. No. 96/01710);
  - d. Exh. "H" to "H-3"- Spain (Reg. No. 2011375);
  - e. Exh. "I" to "I-1"- Great Britain and Northern Ireland (Reg. No. 2056311);
  - f. Exh. "J"- Singapore (Reg. No. 1547/96);
  - g. Exh. "K" to "K-2"- Portugal (Reg. No. 315829);
  - h. Exh. "L"- New Zealand (Reg. No. 258717);
  - i. Exh. "M"- Mexico (Reg. No. 522046);
  - j. Exh. "N" to "N-1"- Israel (Reg. No. 103533);
  - k. Exh. "O"- Ireland (Reg. No. 174365);
  - l. Exh. "P"- Hong Kong (Reg. No. 04886);
  - m. Exh. "Q"- Germany (Reg. No. 39606241);
  - n. Exh. "R" to "R-3"- Denmark (Reg. No. VR 02.542 1996);
  - o. Exh. "S" to "S-2"- Czech Republic (Reg. No. 205461);
  - p. Exh. "T" to "T-1"- Colombia (Reg. No. 18199);
  - q. Exh. "U"- Benelux (Reg. No. 595256);
  - r. Exh. "V" to "V-1"- Austria (Reg. No. 163963);
9. Various promotional materials showing the mark UNIVERSAL RECORDS:
  - a. Exh. "W" to "W-3"- CD Cover and Actual CD of 3 Doors Down;
  - b. Exh. "X" to "X-3"- CD cover and actual CD of Nitty Player's Paradise;
  - c. Exh. "Y"- Actual poster of U218 Singles;
  - d. Exh. "Z"- Actual poster of "Take That";
  - e. Exh. "AA"- Actual poster of 3 Doors Down;
  - f. Exh. "BB"- Actual listing of products and the corresponding Annual Sales thereof for the years 2002 to 2006;
10. Exh. "AA" to "AA-2"- Affidavit of Rizza Landicho;
11. Actual product labels for UNIVERSAL RECORDS:
  - a. Exh. "BB" to "BB-3"- CD of 3 Doors Down;
  - b. Exh. "CC" to "CC-3"- Copies of CD cover and actual CD of Nitty Player's Paradise;
  - c. Exh. "DD"- Actual CD label of Godsmack IV;
  - d. Exh. "DD-1"- Actual CD label of 3121 of Prince;
  - e. Exh. "DD-2"- Actual CD label of Pras Michel - Win Lose or Draw;
  - f. Exh. "DD-3"- Actual CD label of Damian Marley Welcome to Jamrock;
  - g. Exh. "DD-4"- Actual CD label of Natalie;
  - h. Exh. "DD-5"- Copy of actual CD label;
  - i. Exh. "DD-6"- Actual CD label of Nitty Player's Paradise;
  - j. Exh. "DD-7"- Actual CD label of Nina Sky Paradise;
  - k. Exh. "DD-8"- Actual CD label of BeeGees Number Ones;
12. Exh. "EE" to "EE-1"- Affidavit of Roderick Sanchez;
13. Exh. "FF"- Phil. Cert. of Reg. No. 43201 issued on 24 Feb. 1989;
14. Exh. "GG"- Relevant page of the Official Gazette of the Intellectual Property

Office showing the Respondent-Applicant's application for UNIVERSAL RECORDS covered by Application No. 99358 for goods under Class 9; and  
15. Exh. "HH" to "HH-8" – Actual posters used in the Philippines showing the mark UNIVERSAL.

In an Order dated 13 October 2008, the Hearing Officer admitted the Opposer's formal offer of evidence but with the exclusion of Exhibits "E" to "V" and their sub-markings for failure of the Opposer's witness to submit for cross-examination. This Bureau likewise excluded the Opposer's Proffer of Evidence filed on 15 September 2008 consisting of the Affidavit of Jan Abigail L. Ponce<sup>4</sup>.

The Opposer's formal offer of cross-examination exhibits consisting of printout of its Universal Music Group website, particularly the page of the June 5, 2003 news item<sup>5</sup>; printout of Opposer's Universal Music Group website showing the its history or that of Universal Music Group in its use of the UNIVERSAL trademark<sup>6</sup>; the portion in the website printout reading: "*NBC Universal is one of the world's leading media and entertainment companies in the development, production, marketing of entertainment, news and information to a global audience*"<sup>7</sup>; the portion in the website printout reading: "*MCA Music Philippines is part of Universal Music Group, the world's largest music company*"<sup>8</sup>; affidavit of Salvador O. De Vera dated November 6, 2008, submitted by Respondent-Applicant<sup>9</sup>; paragraph 3 therein stating: "*That Alpha Music Corporation was the Philippine licensee of MCA, Inc., Los Angeles, U.S.A. From 1979 up to 1990*"<sup>10</sup>; and actual CD of "Maroon 5" produced by Opposer and sold in the Philippines for a price of Php325.00<sup>11</sup> were likewise admitted in an Order dated 26 January 2009.

For its part, the Respondent-Applicant presented witnesses and offered the following documentary evidence:

1. Exh. "1" - Affidavit of Bella D. Tan;
2. Exh. "2" - Declaration of Actual Use, dated 20 Oct. 2001;
3. Exh. "2-A" to "2-I" - CDs showing the UNIVERSAL RECORDS label sold by the Respondent-Applicant;
4. Exh. "3" to "3-A" – Certification, dated 26 May 2002 issued by "PARI";
5. Exh. "4" to "7" – Dept. of Trade and Industry ("DTI") certificates of Business Name issued to the Respondent-Applicant for UNIVERSAL RECORDS;
6. Exh. "8" - CD showing the UNIVERSAL RECORDS label sold by the Respondent-Applicant;
7. Exh. "10" - Affidavit of Ramon Chuaying;

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<sup>4</sup> Order No. 2008-1521, dated 13 Oct. 2008.

<sup>5</sup> Exhibit "Π".

<sup>6</sup> Exhibits "JJ" to "JJ-1".

<sup>7</sup> Exhibit "KK".

<sup>8</sup> Exhibit "LL".

<sup>9</sup> Exhibit "MM".

<sup>10</sup> Exhibit "MM-1".

<sup>11</sup> Exhibit "NN".

8. Exh. "10-A" - Signature of Ramon Chuaying;
9. Exh. "11" and "11-A"- Announcement in the Philippine Daily Inquirer (PDI) and PDI's certification;
11. Exh. "12" - Announcement published in the Manila Bulletin issue of 13 July 1992;
12. Exh. "13" - Manila Bulletin newspaper of 12 July 1992;
13. Exh. "14" - Album jacket of Del Horest music;
14. Exh. "15" to "93" - Various CDs and cassettes sold by the Respondent-Applicant bearing the label UNIVERSAL RECORDS;
15. Exh. "94" to "111" - Various newspaper advertisements showing the logo UNIVERSAL RECORDS as belonging to the Respondent-Applicant;
16. Exh. "112" to "118" - Various CDs and cassettes sold by the Respondent-Applicant bearing the label UNIVERSAL RECORDS;
17. Exh. "119" to "122" - Various newspaper advertisements showing the logo UNIVERSAL RECORDS as belonging to the Respondent-Applicant;
18. Exh. "123" - DTI Certificate of Business Name issued to Respondent-Applicant for UNIVERSAL RECORDS;
19. Exh. "124" - Declaration of Actual Use dated 30 April 2007;
20. Exh. "125" - Affidavit of Danilo P. Olivares;
21. Exh. "126" - Affidavit of Salvador De Vera;
22. Exh. "127" to "137" - Affidavit of Paulo N. Bombase;
23. Exh. "140" - Affidavit of Richard Calderon; and
24. Exh. "142" - Affidavit of Miguel C. Enriquez.

The parties, thereafter, submitted their respective position papers.

Should the Respondent-Applicant be allowed to register the trademark UNIVERSAL RECORDS?

Sec. 4 (d) of RA 166 states that:

Section 4. *Registration of trademarks, trade names and service marks.* - The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same, unless it:

x x x

(d) Consists of or comprises a mark or trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchases; or (*Underscoring supplied*)

The Opposer obtained its registration for the mark UNIVERSAL<sup>12</sup> in the Philippines as early as 24 February 1989 on the basis of its registration in the

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<sup>12</sup> Exhibit "FF".

United States of America ("U.S.A.")<sup>13</sup> pursuant to Sec. 37 of RA 166, which provides in part:

Section 37. *Rights of foreign registrants.*- Persons who are nationals of, domiciled in, or have a bona fide or effective business or commercial establishment in any foreign country, which is a party to any international convention or treaty relating to marks or trade-names, or the repression of unfair competition to which the Philippines may be a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such convention and treaties so long as the Philippines shall continue to be a party thereto, except as provided in the following paragraphs of this section.

No registration of a mark or trade-name in the Philippines by a person described in the preceding paragraph of this section shall be granted until such mark or trade-name has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has bona fide and effective industrial or commercial establishment, or if he has not such an establishment in the country in which he is domiciled, or if he has not a domicile in any of the countries described in the first paragraph of this section, the country of which he is a national.

Anent the goods which both marks respectively carry, it is obvious that they are similar or related. In determining whether a trademark registration should be a bar to the registration of the identical or similar trademark, the courts have formulated the doctrine of related or similar goods. Under this doctrine, whether trademark infringement exists depends for the most part upon whether or not the goods are so related that the public may be, or is actually, deceived and misled that these came from the same maker or manufacturer. Competing goods may be those which, though not in actual competition, are so related to each other that it might reasonably be assumed that they originate from one and the same manufacturer. Non-competing goods, on the other hand, are those which, being entirely unrelated, could not reasonably be assumed to have a common source.<sup>14</sup>

In *Canon v. Court of Appeals*<sup>15</sup>, the Supreme Court held that goods are related when they belong to the same class or have the same descriptive properties, when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. Thus, the Respondent-Applicant's "*music phonograph products, particularly cassette tapes, compact discs, laser discs, digital audio tapes*" are considered related with Opposer's "*film; entertainment services, namely, production of motion picture films for theatrical and television use and distribution of such films produced by applicant and by others*" because they possess the same physical attributes with reference to

<sup>13</sup> Reg. No. 1,144,545, issued on 23 Dec. 1980.

<sup>14</sup> *Societe Des Produits Nestle, S.A. v. Martin Dy, Jr.*, G.R. No. 172276, 09 Aug. 2010.

<sup>15</sup> G. R. No. 120900, 20 July 2000.

their form when stored and sold. Evidently, with the advances in technology, both music and movies are recorded on the medium through digitalization for storing on discs namely, CDs or DVDs and playable in CD and DVD players. They are also related in the sense that both goods are sold via common media form and flow through the same channel as displayed in video and audio stores where both music and movies are displayed and sold.

But, are the competing marks, as shown below, identical or resembles each other such that confusion or deception is likely to occur?



*Respondent-Applicant's mark*



*Opposer's mark*

The feature in the Respondent-Applicant's mark that stands out, which draws the eyes and the ears, and will be remembered by the consumers is the word "UNIVERSAL". Considering that the parties deal with similar or closely related goods, there is the likelihood of confusion. 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>16</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>17</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 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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

<sup>16</sup> *American Wire and Cable Co. v. Director of Patents et al*, (31 SCRA 544) G.R. No. L-26557, 18 Feb. 1970.

<sup>17</sup> *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al*, G.R. No. L-27906, 08 Jan. 1987.

The public interest, therefore, requires that 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 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>18</sup>

Moreover, the allowance of Respondent-Applicant's mark will forestall the normal potential expansion of the film business of Opposer. As the evidence would show, the Opposer has ventured into the music business in several countries around the world using the same mark UNIVERSAL RECORDS. In the Philippines, the Opposer has a pending application for the mark UNIVERSAL RECORDS & GLOBE DESIGN filed as early as 23 August 1996 for use on goods under Class 9. Relative thereto, the Supreme Court in *Sta. Ana v. Maliwat*<sup>19</sup> held that:

“Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or trade-name is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field or is in any way connected with the activities of the infringer or when it forestalls the normal potential expansion of his business.”

This Bureau also noticed that the Opposer likewise raised the fundamental issue of ownership of the contested mark. The Respondent-Applicant claimed first used of the mark in 1991<sup>20</sup>. But evidence shows that the Opposer has appropriated the mark UNIVERSAL long before 1991. The Opposer has obtained registration in 1989 on the basis of its home registration issued as early as 1980. Significantly, Sections 2 and 2-A of RA 166, provide:

SECTION 2. What are registrable. — Trade-marks, trade names, and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines and by persons, corporations, partnerships or associations domiciled in any foreign country may be registered in accordance with the provisions of this Act: Provided, That said trade-marks, trade names, or service marks are actually in use in commerce and services

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<sup>18</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

<sup>19</sup> G. R. No. L-23023, 31 Aug. 1968.

<sup>20</sup> Declaration of Actual Use marked as Annex “2” of the Answer.



not less than two months in the Philippines before the time the applications for registration are filed: And provided, further, That the country of which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is officially certified, with a certified true copy of the foreign law translated into the English language, by the government of the foreign country to the Government of the Republic of the Philippines.

SECTION 2-A. Ownership of trade-marks, trade-names and service-marks; how acquired. — Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trade-mark, a trade-name, or a service-mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or services of others. The ownership or possession of a trade-mark, trade-name, service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law.

**WHEREFORE**, premises considered, the opposition to Trademark Application No. 4-1995-99358 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 15 November 2012.



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