



OFFICE OF THE DIRECTOR GENERAL

BARGN FARMACEUTICI PHILS. CO.,  
Respondent-Appellant,

APPEAL NO. 14-2013-0018  
IPC No. 14-2009-00057

-versus-

HEARST COMMUNICATIONS, INC.,  
Opposer-Appellee.

Opposition to:  
Application No. 4-2007-013635  
Date Filed: 11 December 2007  
Trademark: COSMO SKIN &  
DEVICE

X-----X

NOTICE

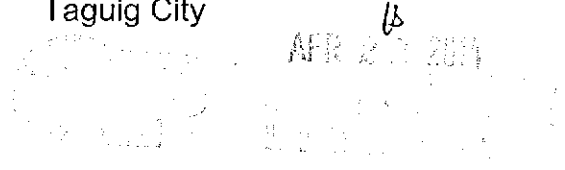
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Documentation, Information  
and Technology Transfer Bureau  
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**NATHANIEL S. AREVALO**  
Director, Bureau of Legal Affairs  
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GREETINGS:

Please be informed that on 21 April 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 21 April 2014.

Very truly yours,

**ROBERT NEREO B. SAMSON**  
Attorney V

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DECISION


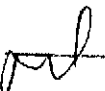
BARGN FARMACEUTICI PHILS. CO. ("Appellant") appeals the decision<sup>1</sup> of the Director of Bureau of Legal Affairs ("Director") sustaining the opposition of HEARST COMMUNICATIONS, INC. ("Appellee") to the registration of the mark "COSMO SKIN & DEVICE".

Records show that the Appellant filed on 11 December 2007 an application to register COSMO SKIN & DEVICE for use on food supplement. On 30 October 2008, the trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks. Subsequently, the Appellee filed on 24 February 2009 a "VERIFIED NOTICE OF OPPOSITION" claiming that its interests are likely to be damaged by the Appellant's use of COSMO SKIN & DEVICE.

The Appellee maintained that it is the first to adopt and use the marks "COSMO", "COSMOPOLITAN", and derivative marks in the Philippines and other countries. The Appellee claimed that there is a likelihood of confusion between the Appellant's mark and its marks. According to the Appellee, the Appellant's mark is identical to and closely resembles its marks in appearance, spelling, sound, meaning and connotation. The Appellee asserted that its marks are well-known internationally and in the Philippines and that there is no doubt that the Appellant intends to ride on the popularity and goodwill of its marks. The Appellee contended that the Appellant, in adopting COSMO SKIN & DEVICE, is likely to cause confusion, mistake, or deception as regards this mark's affiliation, connection or association with the Appellee, or as to the origin, sponsorship, or approval of the Appellant's products by the Appellee.

The Appellant filed a "VERIFIED ANSWER" dated 15 July 2009 denying the Appellee's material allegations in the opposition. The Appellant alleged that the

<sup>1</sup> Decision No. 2013-64 dated 10 April 2013.

  
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Appellee has neither legal nor factual basis to claim that the Appellee will be damaged by the registration of COSMO SKIN & DEVICE. The Appellant averred that the goods covered by its trademark application are different and not related to the Appellee's goods and, thus, the likelihood of confusion imagined by the Appellee has no factual basis. The Appellant maintained that it conceptualized the mark "COSMO" from the Greek word "kosmo" meaning a combining form, meaning "world", or "universe". According to the Appellant, as a manufacturer of food supplements, it directs and caters its beautifying and age-defying products to the women of the world and to all the *missus* of the universe.

After the appropriate proceedings, the Director sustained the opposition and ruled that "COSMO" is similar to the Appellee's mark and that the IP Code prohibits the registration of a mark that would likely cause confusion or deception. The Director held that the Appellee's marks are well-known and highly distinctive and that there is the likelihood that information, assessment, perception, or impression about the Appellant's goods may unfairly cast upon or be attributed to the Appellee, and vice-versa.

Not satisfied, the Appellant filed an "APPEAL MEMORANDUM" dated 28 May 2013 contending that there is no similarity between the Appellee's "COSMOPOLITAN" trademarks and the Appellant's COSMO SKIN & DEVICE trademark. The Appellant maintains that the goods and services of the parties are different and, thus, no confusion either of the products of the parties and/or their respective businesses. According to the Appellant, the "Totality Test" in finding confusing similarity should have been applied in this case and that the alleged international notoriety of the Appellee's marks is limited to the publishing and media industry.

On 03 July 2013, the Appellee filed a "COMMENT/OPPOSITION (TO APPELLANT-RESPONDENT'S APPEAL MEMORANDUM)" maintaining that COSMO SKIN & DEVICE is confusingly similar to its "COSMO" trademarks and that the Appellant's products can be confused as originating from the Appellee's. The Appellee contends that "COSMO" trademarks have been correctly declared as well-known internationally and that the Appellee has been properly recognized to have prior use, application for registration, and registration over these marks.

Pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings, this case was referred to mediation on 08 July 2013. On 28 November 2013, this Office received a copy of the "MEDIATOR'S REPORT" stating the termination of the mediation proceedings because the parties refused to mediate the case. The IPOPHL Alternative Dispute Resolution (ADR) Services also informed this Office that the parties failed to submit a manifestation referring this case to arbitration.



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The issue in this appeal is whether the Director was correct in sustaining the Appellee's opposition to the registration of the Appellant's mark COSMO SKIN & DEVICE.

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>2</sup>

Thus, Sec. 123.1 (d) of the IP Code provides that a mark cannot be registered if it:

- (d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - (i) The same goods or services, or
  - (ii) Closely related goods or services, or
  - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

In this instance, at the time the Appellant filed its application to register COSMO SKIN & DEVICE, the Appellee is the registered owner of COSMOPOLITAN for prints, publications and books. The Appellant is, therefore, applying the registration of its mark on a class of goods different from those covered by COSMOPOLITAN. Thus, the relevant question is whether the registration of the Appellant's mark is likely to deceive or cause confusion

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case is decided on its own merits.<sup>3</sup> As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,<sup>4</sup> the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.<sup>5</sup>


Below are the reproductions of the Appellant's and Appellee's marks as submitted to this Office:

<sup>2</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

<sup>3</sup> Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).

<sup>4</sup> Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).

<sup>5</sup> Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

  
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COSMOPOLITAN

COSMOGIRL!

*Appellant's mark*

*Appellee's marks*

At a glance one can see the presence of "COSMO" in all these marks. The similarity of these marks gives the impression that the Appellant's mark is just a variation of the Appellee's marks or vice versa. That the Appellant is using its mark for goods different from those covered by the Appellee's marks cannot justify the registration of COSMO SKIN & DEVICE.

As the registered owner of COSMOPOLITAN and COSMO GIRL, the Appellee has the right to and is entitled to prevent the Appellant from using a mark which would likely deceive or cause confusion. The confusion that COSMO SKIN & DEVICE is also owned by the Appellee merits the denial of the registration of this mark. The discussion by the Supreme Court of the Philippines in the case of *Sterling Products International, Inc. v. Farberfabriken Bayer Aktiengesellschaft*<sup>6</sup> is instructive.

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

x x x

In the present state of development of the law on Trade-Marks, Unfair Competition, and Unfair Trading, the test employed by the courts to determine whether noncompeting goods are or are not of the same class is confusion as to the origin of the goods of the second user. *Although two noncompeting articles* may be classified under two different classes by the Patent Office because they are deemed not to possess the same descriptive properties, they would, nevertheless, be held by the courts to belong to the same class if the simultaneous use on them of identical or closely similar trademarks would be likely to cause confusion as to the origin, or personal source, of the second user's goods. They would be considered as not falling under the same class only if they are so dissimilar or so foreign to each other as to make it unlikely that the purchaser would think the first user made the second user's goods.

Such construction of the law is induced by cogent reasons of equity and fair dealing. The courts have come to realize that there can be unfair competition or unfair trading even if the goods are noncompeting, and that such unfair trading can cause

<sup>6</sup> G. R. No. L-19906, 30 April 1969.



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injury or damage to the first user of a given trademark, first, by prevention of the natural expansion of his business and, second, by having his business reputation confused with and put at the mercy of the second user. When noncompetitive products are sold under the mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user, inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud.

In this regard, while the Appellant's mark covers goods that are different from the goods/services covered by the Appellee's marks, the Appellant's products may be assumed to originate with the Appellee and the public would then be deceived to believe that there is some connection between the Appellant and the Appellee, which, in fact, does not exist. The likelihood of confusion would subsist on the purchaser's perception of the origin of the goods. Consequently, the registration of the Appellant's mark would cause damage to the interests of the Appellee as the latter has no control over the products of the Appellant.

Moreover, the Director correctly pointed out that the Appellee's marks are well-known marks. As discussed by the Director:

The Opposer submitted as evidence copies of certificates of trademark registration in the Philippines, list of registrations of its marks in different countries worldwide, sales of products bearing its marks by country covering the period from 1996-2002 and 2007, representative samples of its promotional and advertising materials, copies of foreign decisions pertaining to marks, list of magazines international editions, actual labels, receipts/invoices, and a compact disc containing sample foreign certificates of registration and data on use worldwide of marks. The foreign decisions particularly dealt in with the fame and reputation of the Opposer's mark especially in respect of magazines, publications and other goods relating to or promoting women's beauty and fashion.<sup>7</sup>

In this regard, Sec. 123.1 (f) of the IP Code provides that:

SEC. 123. Registrability.- 123.1 A mark cannot be registered if it:

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark

<sup>7</sup> Decision No. 2013-64 dated 10 April 2013, pages 6-7.



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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;

In addition, the Supreme Court of the Philippines also held in one case that:

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>8</sup>


Significantly, the Appellant has "millions of terms and combinations of letters and designs available" to use for its products. It is, therefore, surprising why it is insisting on using "COSMO" notwithstanding the Appellee's use and prior registration of a mark that contains "COSMO" and which has been shown to be an internationally well-known mark.

WHEREFORE, premises considered, the appeal is hereby dismissed.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

21 APR 2014 Taguig City

  
RICARDO R. BLANCAFLOR  
Director General



<sup>8</sup> American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.

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