



OFFICE OF THE DIRECTOR GENERAL

KENNETH D. MAU,  
Appellant,

Appeal No. 04-2010-0007

-versus-

Application No. 4-2007-002926  
Date Filed: 20 March 2007

DIRECTOR OF BUREAU OF  
TRADEMARKS,  
Appellee.

Trademark: SR & DESIGN

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DECISION

KENNETH D. MAU (“Appellant”) appeals the decision of the Director of Bureau of Trademarks (“Director”) which sustained the final rejection of the Appellant’s application to register the mark “SR & DESIGN”.

Records show that the Appellant filed on 20 March 2007 Trademark Application No. 4-2007-002926 for SR & DESIGN for use on food supplements, teas, and candies. Subsequently, the Examiner-in-Charge (“Examiner”) issued a “REGISTRABILITY REPORT”<sup>1</sup> stating that the mark may not be registered because it nearly resembles a registered mark belonging to a different proprietor and the resemblance is likely to deceive or cause confusion. The REGISTRABILITY REPORT cited the following marks belonging to “The Sunrider Corporation”: (1) “SR”, with Registration No. 41997119339, for article to dental products, enamel, mouth part, nutrition supplements; diet supplements; vitamins; nutritional fibers; plant food tablets, capsules, powders, liquids, gel capsules; mouth drops and tablets; (2) “SR”, with Registration No. 41997119340 for dried and processed fruits and vegetable; and (3) “SR”, with Registration No. 41997119341 for food slices of plant origin; snacks of plant origin; drinks of plant origin, herbal tea; preparations for making drinks of plant origin; flavours of plant origin; sauces.

On 05 October 2007, the Appellant filed a response claiming that there is no likelihood of confusion by the granting of the registration of SR & DESIGN. The Appellant maintained that its application is not claiming “Class 29” which was included in the class of goods covered by the mark cited by the Examiner. The Appellant stated that the mark cited by the Examiner only includes the letters “SR” without any design making its mark unique and identifiable. The Appellant averred that in the absent of any showing that there will be confusion in the target market of the marks, the registration of SR & DESIGN should be allowed as this mark is used in conjunction with the products of “SR FOODS, Phils.”.

<sup>1</sup> Paper No. 03 with mailing date of 06 August 2007.

Subsequently, the Examiner issued a “FINAL REJECTION”<sup>2</sup> of the Appellant’s trademark application reiterating the findings that SR & DESIGN cannot be registered because it nearly resembles a registered mark belonging to a different proprietor which is likely to deceive or cause confusion. The Appellant appealed to the Director the final rejection. After the appropriate proceedings, the Director denied the appeal and sustained the final rejection.

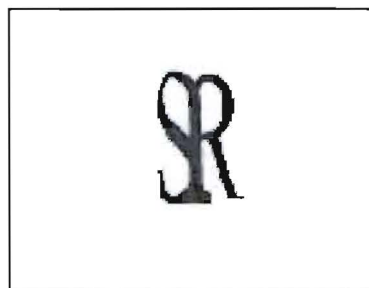
Not satisfied, the Appellant filed on 07 May 2010 a “MEMORANDUM OF APPEAL” seeking the reversal and setting aside of the decision of the Director. The Appellant argues that its mark is distinct and unique and will not cause confusion to the public. According to the Appellant, its mark when compared to the mark cited by the Examiner has striking and dominant differences such as the presence of leaves, font size, and color. The Appellant contends that the purchaser should be given credit and be presumed knowledgeable of the item to be purchased and that food and health supplements are bought knowingly and cautiously. The Appellant claims that it has used its products in the Philippines since 2005 and it has advertised them in print, radio, and television.

The Director submitted a “COMMENT” on 01 July 2010 maintaining that a comparison of the marks readily demonstrates the identical or similar prevalent features of the letters “SR”. The Director asserts that the apparent differences in the design of these letters are “too subtle and minor to overcome the similarity between the marks.” The Director claims that the letter combination “SR” is the dominant feature while the leaf and stem designs merely serve to embellish the letters. The Director avers that Section 123.1 (d) of Republic Act No. 8293 (“IP Code”) expressly disallows the registration of a mark that nearly resembles a registered mark belonging to a different proprietor in respect of the same goods.

The main issue in this appeal is whether the Director was correct in sustaining the rejection of the Appellant’s application to register SR & DESIGN. Moreover, the relevant question in this case is whether the Appellant’s mark is confusingly similar with the mark cited by the Examiner. Below are the illustrations of these marks:



*Appellant’s mark*



*Mark cited by the Examiner*

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<sup>2</sup> Paper No. 06 with mailing date of 15 January 2008.

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At a glance, one can see the similarity of these marks which both contained the letters "S" and "R". The letters "S" and "R" easily catches the attention of these marks and gives the impression that one is just a variation of the other. The Appellant's trademark application for SR & DESIGN was filed on 20 March 2007 covering food supplements, teas, and candies that fall under Class Nos. 5 and 30 of the Nice Classification.<sup>3</sup> However, an "SR" trademark has been registered to another proprietor as early as 2004 also for goods falling under similar Class Nos. 5 and 30 of the Nice Classification that includes food supplements, teas, and snacks. In this regard, 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;

The Director and the Examiner are, therefore, correct in rejecting the registration of the Appellant's mark pursuant to Sec. 123.1 (d) of the IP Code. This provision bars the registration of the Appellant's mark that resembles the registered mark cited by the Examiner. Because of the similarity in the appearance of the marks and the goods to which the marks are used, it is very likely that the purchasing public would be deceived or be confused on the source or origin of the goods. The purchasing public may associate or mistake the Appellant's goods as those of the owner of the mark cited by the Examiner or vice versa.

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>4</sup>

A certificate of registration of a mark shall be *prima facie* evidence of validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.<sup>5</sup> To allow the registration of the Appellant's mark would result to a situation where two entities are claiming exclusive rights to the use of a similar mark which are to be used on similar and related goods.

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<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 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 the Registration of Marks concluded in 1957.

<sup>4</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

<sup>5</sup> Intellectual Property Code, Sec. 138.

Significantly, the proceeding before the Examiner of the Bureau of Trademarks is *ex-parte*. It is prosecuted *ex parte* by the applicant, that is, the proceedings are like a lawsuit in which there is a plaintiff (the applicant) but no defendant, the court itself (the Examiner) acting as the adverse party.<sup>6</sup> The Intellectual Property Office of the Philippines represented by the Examiner is not supposed to look after the interest of an applicant. The law imposes that duty upon the applicant himself. The Examiner is charged with the protection of the interests of the public and, hence, must be vigilant to see that no registration issues for a mark contrary to law and the Trademark Regulations.<sup>7</sup> The Examiner will look if the trademark can be registered or not.

In this instance, the Examiner finds that the registration of the Appellant's mark is contrary to the laws on trademarks. The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision be furnished the Director of the Bureau of Trademarks for appropriate action, and the library of the Documentation, Information and Technology Transfer Bureau for information and records purposes.

SO ORDERED.

03 NOV 2014 Taguig City.

  
RICARDO R. BLANCAFLOR  
Director General

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<sup>6</sup> Trademark Regulations, Rule 600.

<sup>7</sup> Trademark Regulations, Rule 602.