



OFFICE OF THE DIRECTOR GENERAL

LA CHEMISE LACOSTE S.A.,
Appellant,

APPEAL NO. 14-2013-0042
IPC No. 14-2004-00115
Opposition to:

-versus-

Application No. 4-1996-116672
Date Filed: 27 December 1996
Trademark: CROCODILE AND
DEVICE

CROCODILE INT'L. PTE LIMITED,
Appellee.

X-----X

NOTICE

CASTILLO LAMAN TAN
PANTALEON & SAN JOSE
Counsel for Appellant
2nd, 3rd and 4th Floors, The Valero Tower
122 Valero Street, Salcedo Village
Makati City

LENY B. RAZ
Director, Bureau of Trademarks
Intellectual Property Office
Taguig City

HECHANOVA BUGAY & VILCHEZ
Counsel for Appellee
Ground Floor, Chemphil Building
851 Antonio Arnaiz Avenue
Makati City

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DATE: OCT 10 2014
BY:

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office
Taguig City

GREETINGS:

Please be informed that on 07 October 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 07 October 2014.

Very truly yours,

ROBERT NEREO B. SAMSON
Attorney V



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Opposer-Appellant,

-versus-

CROCODILE INT'L. PTE LIMITED,
Respondent-Appellee.

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DECISION

LA CHEMISE LACOSTE S. A. ("Appellant") appeals the decision of the Director of Bureau of Legal Affairs ("Director") denying the Appellant's opposition to the registration of the mark "CROCODILE AND DEVICE".

On 27 December 1996, the CROCODILE INT'L. PTE LIMITED ("Appellee") filed Trademark Application No. 4-1996-116672 for CROCODILE AND DEVICE for use on clothing for men, ladies and children, footwear, headwear, shirts, t-shirts, sweaters, vests, coats, skirts, jeans, pants, bermuda/shorts, socks, underwear, track suits, neckties, belts (clothing), singlets gloves (clothing), stockings, hats, caps, wristbands/head band, swimwear, shoes, boots and slippers.

On 18 August 2004, the Appellant filed a "NOTICE OF OPPOSITION" alleging that it would be greatly damaged by the registration of CROCODILE AND DEVICE which is a mirror image of its mark "CROCODILE DEVICE". The Appellant cited the following grounds in opposing the Appellee's trademark application:

- (a) Respondent's [Appellee's] mark "CROCODILE AND DEVICE" is confusingly similar/identical with opposer's [Appellant's] "CROCODILE DEVICE"; and
- (b) Opposer [Appellant] has the exclusive right to use its mark "CROCODILE DEVICE", being the registered owner thereof.

On 04 November 2004, the Appellee filed an "ANSWER" denying the Appellant's allegations and the grounds cited in the NOTICE OF OPPOSITION. The Appellee claimed that its mark CROCODILE AND DEVICE is neither identical nor confusingly similar with the Appellant's CROCODILE DEVICE and that these marks are concurrently registered and peacefully co-exists in other jurisdictions without any

instance of confusion. The Appellee maintained that the Appellant admitted that their marks are not confusingly similar and can co-exist.

After the appropriate proceedings, the Director denied the opposition and held that in the Appellee's mark, the word "Crocodile" in stylized font placed on top of the crocodile device spells a striking difference against the Appellant's mark. The Director ruled that the Appellant failed to show substantial evidence to prove the allegation of confusing similarity between the marks that will cause public deception and mistake.

The Appellant filed a Motion for Reconsideration on 08 January 2010 which the Director denied in Resolution No. 2013-13 (D) dated 21 June 2013.

Not satisfied, the Appellant filed on 22 August 2013 an "APPEAL MEMORANDUM" claiming the confusing similarity between the Appellee's mark CROCODILE AND DEVICE and its mark CROCODILE DEVICE. The Appellant argues that the device of a crocodile is the dominant feature in both marks which are used on identical goods making them more susceptible to being confusingly similar. The Appellant asserts that public confusion is not limited to the actual and direct purchasers of the product but includes potential purchasers and ordinary consumer.

On 30 October 2013, the Appellee filed a "COMMENT/OPPOSITION TO OPPOSER'S APPEAL" contending that the Appellant itself claimed and admitted the lack of confusing similarity between their marks. The Appellee maintains that the Appellant's and its marks have co-existed for over 66 years in various jurisdictions all over the world without confusion. The Appellee claims that this Office has affirmed that its mark CROCODILE AND DEVICE is an internationally well-known mark when the Appellee was invited to participate in a high level forum on the protection and enforcement of trademarks.

On 13 November 2013, this case was referred to the IPOP/HL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 10 February 2014, this Office received a copy of the "MEDIATOR'S REPORT" stating that the parties failed to settle the case in the mediation proceedings.

The issue in this case is whether the Director correctly dismissed the Appellant's opposition to the registration of CROCODILE AND DEVICE in the name of the Appellee.

The Appellee's trademark application was filed on 27 December 1996 or before the Intellectual Property Code of the Philippines (IP Code) took effect on 01 January 1998. Sec. 235.2 of the IP Code provides that:

235.2. All applications for registration of marks or trade names pending in the Bureau of Patents, Trademarks and Technology Transfer at the effective date of this Act may be amended, if practicable to bring them under the provisions of this Act. The prosecution of such applications so amended and the grant of registrations

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thereon shall be proceeded with in accordance with the provisions of this Act. If such amendments are not made, the prosecution of said applications shall be proceeded with and registrations thereon granted in accordance with the Acts under which said applications were filed and said Acts are hereby continued in force to this extent for this purpose only, notwithstanding the foregoing general repeal thereof.

The records¹ show that the Appellee filed a letter dated 19 October 1998 manifesting that it desires that the prosecution of its trademark application be continued under the provisions of the old trademark law, Republic Act No. 166, as amended, ("RA 166")², the governing law at the time the Appellee filed the application to register CROCODILE AND DEVICE. Accordingly, the provisions of RA 166 are applicable in this case.

Sections 2 and 2-A of RA 166 provide that:

Sec.2. What are registrable.- Trademarks, trade names, and service marks owned by persons, corporations, partnership 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 trademarks, trade names, or service marks are actually in use in commerce and services 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.

Sec.2-A. Ownership of trademarks, 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 trademark, a trade name, or a service mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business, or service of others. The ownership or possession of a trademark, 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 laws.

In addition, Section 4(d) of RA 166 states in part that:

Sec. 4. Registration of trademarks, trade names and service marks on the principal register.- There is hereby established a register of trademarks, trade names and service marks, which shall be known as the principal register. 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 on the principal register, unless it:

x x x

¹ File wrapper for Trademark Application No. 41996-116672.

² AN ACT TO PROVIDE FOR THE REGISTRATION AND PROTECTION OF TRADEMARKS, TRADE NAMES AND SERVICE MARKS, DEFINING UNFAIR COMPETITION AND FALSE MARKING AND PROVIDING REMEDIES AGAINST THE SAME, AND FOR OTHER PURPOSES.

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(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 purchasers: or

Accordingly, under the provisions of RA 166, the registration of a trademark requires prior actual use as proof of ownership. Moreover, a mark cannot be registered if it resembles another mark previously registered and used in the Philippines and not abandoned as to cause confusion, mistake or deception to the purchasers.

In this instance, the Appellee has adduced evidence that it has used and continues to use CROCODILE AND DEVICE for several decades in various jurisdictions all over the world. Since 2002, the Appellee has been exporting to the Philippines various Crocodile brand products, which are sold in various places including Tacloban, Laoag, and Metro Manila.³ The Appellant is not disputing the Appellee's use of CROCODILE AND DEVICE but maintains the confusing similarity between its registered mark CROCODILE DEVICE and the Appellee's mark.

Thus, the relevant question to resolve is whether CROCODILE AND DEVICE resembles the Appellant's marks as to cause confusion, mistake or deception.

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.⁴ 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,⁵ 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.⁶

Below are the illustrations of the Appellant's and Appellee's marks:

³ COMMENT/OPPOSITION TO OPPOSER'S APPEAL filed on 30 October 2013, pages 5 and 6.

⁴ Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).

⁵ Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).

⁶ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

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Appellant's marks



Appellee's mark

A scrutiny of these marks shows the presence of the word "LACOSTE" in the Appellant's mark while the Appellee's mark has the word "Crocodile". The Appellant also has a mark containing only the device of a crocodile. A noticeable difference is therefore, present between the Appellant's and Appellee's marks especially because "LACOSTE" is considered a well-known mark.

In other words, products bearing the mark with the word "LACOSTE" would easily be associated as coming from the Appellant. Similarly, products bearing the word "Crocodile" without "LACOSTE" may not be associated with the Appellant but would be considered as coming from the Appellee. Significantly, the Appellant's failure to dispute the Appellee's claim of long established use of CROCODILE AND DEVICE and to adduce evidence showing confusion or mistake as to the ownership of the aforementioned marks weaken the position of the Appellant to bar the registration of the Appellee's mark.

On the other hand, the Appellee has presented evidence proving the co-existence of these marks thereby, further weakening the Appellant's claim of confusion or deception. As pointed out by the Appellee:

2. It is a firmly established fact that Appellant's and Appellee's marks have co-existed for over sixty six (66) years in various jurisdictions all over the world without confusion, with each mark growing in goodwill and renown distinctly and independently of each other. This co-existence by fact is grounded upon a Mutual Co-existence Agreement that was executed between the parties upon the Appellant's own initiative, as well as the individually distinctive and non-confusingly similar character of the trademark owned by each party which has been recognized by many jurisdictions in the world. In said Mutual Co-existence Agreement Appellant has, as

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early as the 1980's or over thirty (30) years ago, expressly and unequivocally acknowledged Appellee's ownership of its "CROCODILE" marks and the fact that said marks, which has established its own goodwill, are distinct and not confusingly similar to its own saurian marks.⁷

Significantly, under RA 166, the essential requisite for the registration of a mark is ownership which is shown by the actual use in commerce. 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.⁸

As there is no dispute to the Appellee's long use of CROCODILE AND DEVICE, this use has pointed out to the Appellee as the origin and source of the products bearing the mark CROCODILE AND DEVICE. Similarly, the Appellant's use of "LACOSTE" and the device of a crocodile pointed to the Appellant as the owner of the products being these marks.

It is, therefore, farfetched that the purchasing public would be confused as to the source or ownership of the Appellee's goods bearing the mark CROCODILE AND DEVICE. The purchasing public is the ordinary purchaser that is thought of, as having, and credited with, at least a modicum of intelligence.⁹ It does not defy common sense to assert that a purchaser would be cognizant of the product he is buying.¹⁰ As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. Expensive and valuable items are normally bought only after deliberate, comparative and analytical investigation.¹¹ The products of the parties are not the everyday common goods or household items bought at a minimal cost. The nature and cost of the goods of the parties require a prospective buyer to be more aware and cautious in the purchase of the product. Hence, a person who would buy the Appellant's or Appellee's products would do so not on the basis of the mistaken belief that the product is that of the Appellant's or Appellee's but because that is the product the person intends to buy.

As the Director correctly pointed out in his resolution:

There is no doubt that the Lacoste brand or trademark is famous and well-known in the Philippines to easily distinguish the Opposer's mark and goods from the Respondent-Applicant's. When a mark consists of a word and a device, and both are prominently presented or configured, consumers would not only decide to buy just

⁷ Appellee's MEMORANDUM dated 02 April 2014, page 2.

⁸ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

⁹ Fruit of the Loom, Inc. v. Court of Appeals and General Garments Corporation, G.R. No. L-32747, 29 November 1984.

¹⁰ Acoje Mining Co., Inc. v. Director of Patents, 38 SCRA 480 (1971).

¹¹ Del Monte Corporation v. Court of Appeals, G.R. No. 78325, 25 January 1990.


by looking at the device, they also read the word component. The consumers, therefore, confronted with the conspicuous "Crocodile" word, would not have a hard time discerning that the goods bearing such mark, is not of or coming from the Opposer.¹²

From the foregoing, the pieces of evidence and the arguments adduced by the parties point to the Appellee as the owner of the mark CROCODILE AND DEVICE that has been co-existing with the CROCODILE DEVICE for several years now. Accordingly, the Appellee's trademark application should be given due course.

WHEREFORE, premises considered, the instant 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.

07 OCT 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General

¹² Resolution No. 2013-13(D) dated 21 June 2013.

