



OFFICE OF THE DIRECTOR GENERAL

LEVI STRAUSS & CO.,
Opposer-Appellant,

-versus-

NELSON CHAN,
Respondent-Appellee.

X-----X

Appeal No. 14-2012-0007

IPC No. 14-2010-00213

Opposition to:

Application No. 4-2010-500085

Date Filed: 22 January 2010

Trademark: POCKET LABEL

DECISION

LEVI STRAUSS & CO. (“Appellant”) appeals the decision¹ of the Director of Bureau of Legal Affairs (“Director”) which dismissed the Appellant’s opposition to the registration of the mark “POCKET LABEL”.

On 22 January 2010, NELSON CHAN (“Appellee”) filed Trademark Application No. 4-2010-500085 for POCKET LABEL for use on pants, jeans, slacks, shorts, and skirts. The mark was described as a pocket label characterized by a pair of intertwining lines forming a pair of wing-like configurations on the middle portion of the pocket label.

On 31 May 2010, the trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks. On 28 September 2010, the Appellant filed a “VERIFIED NOTICE OF OPPOSITION” alleging that POCKET LABEL is identical and/or confusingly similar to its registered “ARCUATE DESIGN” marks which are internationally well-known. The Appellant claimed that it is the owner of the ARCUATE DESIGN marks that are used on the same or closely related goods covered by POCKET LABEL. The Appellant maintained that the Appellee is clearly riding on the established goodwill of the Appellant causing damage to it.

The Appellee filed on 01 February 2011 an “ANSWER” alleging that way back on 05 September 1994, he was issued Letters Patent No. D-6098 for the industrial design entitled “PATCH POCKET” which is the same as his trademark application for POCKET LABEL. The Appellee maintained that his trademark application was examined, recommended for allowance, and approved for publication after he had complied with, and was found to be entitled to the registration of POCKET LABEL. The Appellee claimed that POCKET LABEL is neither identical nor confusingly similar to the Appellants’ ARCUATE DESIGN marks. The Appellee averred that the Appellant’s ARCUATE DESIGN marks are not well-known

¹ Decision No. 2012-17 dated 06 February 2012.

internationally and in the Philippines and that the Appellant failed to substantiate its claim that he is riding on the established goodwill of the ARCUATE DESIGN marks.

After the appropriate proceedings, the Director ruled that a closer scrutiny of the competing marks reveals that the composition and configuration of the Appellant's and Appellee's marks are different and that these differences which are plain and obvious to the eyes have rendered confusion or deception unlikely to occur. The Director held that the Appellee's mark sufficiently serves the function of a trademark.

On 22 March 2012, the Appellant filed an "APPEAL MEMORANDUM" contending that POCKET LABEL is confusingly similar to its registered and internationally known ARCUATE DESIGN marks. The Appellant argues that its marks bar the registration of POCKET LABEL and that the Appellee is merely riding on the established goodwill of the Appellant.

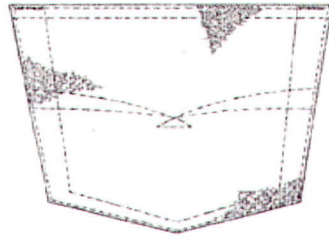
On 08 May 2012, the Appellee filed a "COMMENT" claiming that the decision of the Director is fully in accordance with the provisions of Republic Act No. 8293 ("IP Code") and settled jurisprudence, and is supported by substantial evidence on record. The Appellee maintains that he did not file his trademark application to ride on the alleged goodwill of the Appellant's ARCUATE DESIGN marks but to protect POCKET LABEL, which was previously patented in his favor, as a trademark that has become distinctive of his goods.

On 11 May 2012, this Office issued an Order referring this case to the IPOP HL Alternative Dispute Resolution Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 04 June 2012, this Office received a copy of the "MEDIATOR'S REPORT" stating that the Appellant requested the termination of the mediation proceedings.

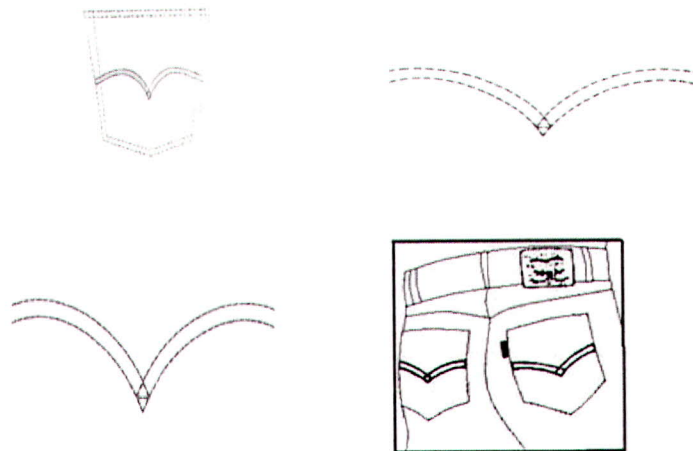
The main issue in this appeal is whether the Director was correct in dismissing the Appellant's opposition to the registration of POCKET LABEL in favor of the Appellee. Moreover, the relevant question to resolve in this case is whether POCKET LABEL is confusingly similar to the Appellant's ARCUATE DESIGN marks.

Below are the illustrations of the marks of the Appellee and Appellant.

Appellee's mark



Appellant's marks



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.² 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,³ 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.⁴

In this regard and considering the circumstances in this case, this Office finds the appeal meritorious.

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

² Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).

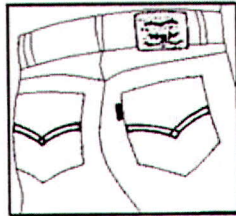
³ Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).

⁴ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

(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;

It is not disputed that the Appellant secured a registration for the mark “ARCUATE/TAB/TWO HORSE PATCH” as early as 1988 for use on trousers for men, women, and children.⁵



It subsequently registered another ARCUATE DESIGN mark in 2002 for pants, jackets, skirts, dresses, and shorts.⁶



These registered marks by the Appellant both contain the “intertwining lines” that are the main and distinctive features of its marks. Similarly, these features are the dominant feature in the Appellee’s POCKET LABEL. As correctly pointed out by the Appellant:

28. A comparison of the marks above clearly shows visual similarity between Appellant’s “ARCUATE” registered trademarks and the “POCKET LABEL” mark being applied for by Appellee. **The marks clearly share the same major features**, i.e. the two parallel lines beside each other placed horizontally across the back pockets and curving downward to converge in the center, that comprise the overall visual impression and earmarks of the brand that an ordinary purchaser will easily remember. In other words, when the purchaser sees a pair of pants or jeans with a back pocket design with the same or similar overall visual impression and earmarks he remembers from Appellant’s “ARCUATE” mark, the purchaser will most likely conclude that such pair of pants or jeans comes from

⁵ Certificate of Registration No. 42324 issued on 12 December 1988.

⁶ Certificate of Registration No. 114907 issued on 22 June 2002.

Appellant when in fact it comes from another manufacturer using a similar back pocket design mark.⁷

The determinative factor in ascertaining whether or not marks are confusingly similar to each other is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. 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 new brand for it.⁸

As the Appellee is also engaged in the clothing industry, it is not farfetched that the Appellee knew of the Appellant's marks when he filed his trademark application in 2010 for use on pants, jeans, slacks, shorts, and skirts. The statement by the Supreme Court in one case is instructive:

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.⁹

The Appellee has "millions of terms and combinations of letters and designs available" for his use on his products. Why he insists on using POCKET LABEL which has substantial similarities with the Appellant's marks betrays his intention to take advantage of the goodwill generated by the Appellant's marks.

The Appellee's position that he has previously patented POCKET LABEL will not negate the confusing similarity of this mark with the Appellant's marks. A trademark is different from a patent. Trademark, copyright, and patents are different intellectual property rights that cannot be interchanged with one another. A trademark is any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods. In relation thereto, a trade name means the name or designation identifying or distinguishing an enterprise. Meanwhile the scope of a copyright is confined to a literary and artistic works which are original intellectual creations in the literary and artistic domain protected from the moment of their creation. Patentable inventions, on the other hand, refer to any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable.¹⁰

Accordingly, the instant case refers to issues on trademark registration of POCKET LABEL and not on the patent which the Appellee claims he had with POCKET LABEL. It is, thus, emphasized that the essence of trademark registration

⁷ APPEAL MEMORANDUM dated 21 March 2012, page 14.

⁸ Converse Rubber Corporation v. Universal Rubber Products, Inc., G. R. No. L-27906, 08 January 1987.

⁹ American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.

¹⁰ Kho v. Hon. Court of Appeals, G. R. No. 115758, 19 March 2002.

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.¹¹

The Appellant has proven ownership of ARCUATE DESIGN marks which has been shown to be similar with POCKET LABEL. As the registered owner of the ARCUATE DESIGN marks, the Appellant is entitled to the exclusive right to prevent other persons from using a trademark that resembles its marks as to be likely to deceive or cause confusion. The Appellee's POCKET LABEL so resembles the Appellant's ARUCATE DESIGN that the purchasing public may mistake these marks as just a variation of the other.

The Appellant is, therefore, entitled to the protection of its registered ARCUATE DESIGN marks. The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same --- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.¹²

WHEREFORE, premises considered, the appeal is hereby GRANTED. 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.

NOV 21 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General

¹¹ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

¹² Societe Des Produits Nestle, S. A. v. Court of Appeals, G. R. No. 112012, 04 April 2001.