



OFFICE OF THE DIRECTOR GENERAL

MANOLO P. SAMSON
Appellant,

APPEAL NO. 14-2013-0019
IPC No. 14-2002-00086
Opposition to:

-versus-

Application No. 4-1997-116432
Date Filed: 07 May 1997
Trademark: CAT AND DESIGN

CATERPILLAR, INC.,
Appellee.

X-----X

NOTICE

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NATHANIEL S. AREVALO
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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,

[Signature]
ROBERT NEREO B. SAMSON
Attorney V

IPPHL
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DATE: [Signature]
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Office of the Director General

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OFFICE OF THE DIRECTOR GENERAL

MANOLO P. SAMSON
Opposer-Appellant,

Appeal No. 14-2013-0019

-versus-

IPC No. 14-2002-00086

Opposition to:

CATERPILLAR, INC.,
Respondent-Appellee.

Application No. 4-1997-116432

Date Filed: 07 May 1997

Trademark: CAT AND DESIGN

X-----X

DECISION

MANOLO P. SAMSON (“Appellant”) appeals the decision¹ of the Director of Bureau of Legal Affairs (“Director”) dismissing the Appellant’s opposition to the registration of the mark “CAT AND DESIGN” in favor of CATERPILLAR, INC. (“Appellee”).

Records show that the Appellee filed on 07 May 1997 Trademark Application No. 4-1997-116432 for CAT AND DESIGN for use on watches, clocks, cuff links, tie tacks, tie bars, bracelets, pendants, belt buckles, earrings, charms, key chains, stick pins, lapel pins, necklaces, watch fobs, alarm clocks, wall clocks, watch bands, belt buckles, bracelets, watch cases, jewelry chains, watch chains, charms, chronographs for use as watches, chronometers, cigarette holders, ear clips, tie clips, costume jewelry, jewelry, lighters, necktie fasteners, ornamental pins, pocket watches, rings, stop watches, watch straps, tie fasteners, tie pins, watch movements, parts for watches. The application was published in the Intellectual Property Office Official Gazette² released on 12 November 2002.

On 12 December 2002, the Appellant filed a “VERIFIED NOTICE OF OPPOSITION” alleging that he is the owner of the marks “CATT’S WITH A TRIANGLE BENEATH THE LETTER A” and “CAT WITH A TRIANGLE BENEATH THE LETTER A” and that the approval of the Appellee’s trademark application violates Section 4(d) of Republic Act No. 166, as amended (“RA 166”) and Section 123.1 (d) and (g) of the Intellectual Property Code of the Philippines (“IP Code”). The Appellant maintained that he adopted and has used his marks in good faith for shoes, slippers, sandals, boots and other goods. The Appellant claimed that the Appellee’s mark is identical and/or confusingly similar to his marks. The Appellant contended that the Appellee’s use and registration of CAT AND DESIGN will cause confusion, mistake and deception on the part of the purchasing public and will dilute the distinctiveness and erode the goodwill of his registered mark.


¹ Decision No. 2013-59 dated 10 April 2013.
² Volume V No. 8, pages 27 and 28.

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The Appellee filed an "ANSWER" claiming that it is the owner by prior adoption and use of CAT AND DESIGN and has the right to use and register this mark. The Appellee maintained that CAT AND DESIGN is an internationally famous or well-known trademark in the Philippines and that it has registered this mark in many countries. According to the Appellee, CAT AND DESIGN is a derivative of the marks "CATERPILLAR" and "CAT" which it has used worldwide in its core business of manufacturing heavy machinery and equipment for construction, mining, road building and agricultural industries since 1925. The Appellee asserted that CATERPILLAR and CAT are registered worldwide including the Philippines where these marks were registered beginning 1938. The Appellee averred that while maintaining its core machinery business, it has expanded into other business activities including footwear, clothing, and accessories. The Appellee also pointed out that the goods covered by its trademark application are not related to the Appellant's goods.


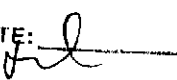
After the appropriate proceedings, the Director dismissed the opposition and ruled that the Appellee's mark satisfied the function of a trademark. The Director held that while the marks are identical and give the same physical impression, the goods covered by these marks are different and unrelated, belonging to different classes of goods, possessing different physical attributes or essential characteristics, and serving different purposes.

On 29 May 2013, the Appellant filed an "APPEAL MEMORANDUM" assigning the following error:

Assignment of Error

DECISION NO. 2013-59 OF THE BUREAU OF LEGAL AFFAIRS IS NOT SUPPORTED BY THE EVIDENCE ON RECORD AND IS CONTRARY TO REPUBLIC ACT NO. 166, AS AMENDED, THE LAW APPLICABLE TO RESPONDENT-APPELLEE'S APPLICATION, AND ESTABLISHED JURISPRUDENCE.

The Appellant maintains that the Appellee's mark is identical or nearly identical with his registered mark "CATERPILLAR WITH A TRIANGLE BENEATH THE LETTER A" and his pending mark for registration "CAT. WITH A TRIANGLE BENEATH THE LETTER A". The Appellant argues that when the Appellee filed its trademark application his registration for CATERPILLAR WITH A TRIANGLE BENEATH THE LETTER A has not been cancelled and continues to be in full force and effect and that he has continued up to the present the use of his registered mark. According to the Appellant, the fact that his goods and those of the Appellee fall under different classification is not sufficient reason to dismiss his opposition because confusion is not limited to confusion of goods but extends to confusion of business or origin of goods.


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The Appellee filed a "COMMENT ON APPEAL" dated 05 July 2013 citing the Appellee's certificates of registration and pending applications for registration of "CATERPILLAR", "CAT", "CATERPILLAR AND DESIGN", and CAT AND DESIGN which the Office may take judicial notice and consider in the determination of the Appellee's preferential right over its mark. The Appellee maintains that it is the prior user and first registrant of the mark CATERPILLAR in the world and in the Philippines and cites the decision of the then Philippine Patent Office sustaining the fame of this mark in favor of the Appellee.³

Pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings, this case was referred to mediation on 26 September 2013. On 12 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 IPOP HL Alternative Dispute Resolution (ADR) Services also informed this Office that the parties failed to submit a manifestation referring this case to arbitration.

In this regard, the issue in this case is whether the Director was correct in dismissing the Appellant's opposition to the registration of CAT AND DESIGN in favor of the Appellee.

The Appellee's application to register CAT AND DESIGN was filed on 07 May 1997 or before the 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 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 records⁴ show that the Appellee filed a letter dated 28 March 1998 stating that it wants its trademark application to be prosecuted under RA 166⁵. In this regard, the provisions of RA 166 are applicable in this case.


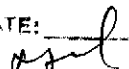
Section 4(d) of RA 166 states that:

Sec. 4. Registration of trademarks, trade names and service marks on the principal register.- There is hereby established a register of trademarks, trade names

³COMMENT ON APPEAL dated 05 July 2013, page 16, citing the Philippine Patent Office Decision No. 728, 8 August 1973.

⁴File wrapper for Trademark Application No. 4-1997-116432.

⁵AN 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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ATTORNEY V

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

(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

Under this provision, it is the owner of a trademark that has the right to register it. Moreover, a mark cannot be registered - firstly, if it so resembles a mark or trade name registered or previously used in the Philippines by another and not abandoned; and, secondly, the registration of that mark would likely cause confusion, mistake or deception when applied to or used in connection with the goods, business or services of the applicant.

It is, thus, 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.⁶


In this case, the Appellee has adduced substantial evidence to prove that it is the owner not only of the mark CAT AND DESIGN but of several marks namely "CATERPILLAR", "CATERPILLAR & DESIGN", and "CAT" which can be considered as a variation of CATERPILLAR. The Appellee maintained that it registered and had filed trademark applications for these marks here in the Philippines and in other countries.⁷ The Appellee, therefore, being the owner of the mark CAT AND DESIGN is entitled to the registration of this mark. Moreover, because of the ownership by the Appellee of this mark, the registration thereof would not cause confusion.

The Appellant, however, claims that he is the registered owner of the trademark CATERPILLAR WITH A TRIANGLE BENEATH THE LETTER A and has a pending trademark application for CAT. WITH A TRIANGLE BENEATH THE LETTER A which are identical and/or confusingly similar with the Appellee's mark. This claim by the Appellant is not tenable.

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

⁶ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

⁷ Exhibits "1" to "9" as cited in the FORMAL OFFER OF DOCUMENTARY EVIDENCE dated 19 October 2010.


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CAT.

CATERPILLAR

Appellant's mark

CAT


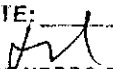
Appellee's mark

At a glance, one can see the similarity of these marks which gives the impression that these marks are owned by the same person or entity. However, in this case, the pieces of evidence adduced by the parties have convinced this Office that the Appellee is the owner of the mark CAT AND DESIGN and to prevent it from registering its own mark is contrary to the rationale of registering a mark. CAT AND DESIGN is a variation of the other registered marks of the Appellee and because the Appellee has clearly established its ownership of the mark CATERPILLAR and variations thereof, the Appellee's application to register this mark will not cause confusion, mistake or deception when applied to or used in connection with the goods, business or services of the Appellee.

There is no dispute that the Appellee has used and registered the marks CATERPILLAR and CAT earlier than the registration of the Appellant's mark. As pointed out by the Appellee:

8. In the Philippines, Respondent's CATERPILLAR tractors were first marketed and sold during the 1930's. To ensure its exclusive use of the mark in the Philippines, Respondent secured the first trademark registration for CATERPILLAR under Act No. 666, the law then in force, as evidenced by Certificate of Registration No. 12855 issued by the Philippine Bureau of Commerce on 6 September 1938. Thereafter, pursuant to Republic Act No. 166, Respondent secured the issuance of a new certificate of registration for the same CATERPILLAR trademark with the Philippine Patent Office, as evidenced by Certificate of Registration No. 1415-S issued on 7 June 1948. Said registration was renewed for another 20 years from 7 June 1968 and 7 June 1988 under Registration No. R-575. On 26 August 1971, Respondent secured another registration for its CATERPILLAR mark for goods belonging to Class 20, as evidenced by Certificate of Registration NO. 16811. This registration was later renewed for another 20 years from 26 August 1991.

9. On the other hand, the CAT mark was first used in the Philippines on 18 December 1948 and registered in favor of Respondent under Certificate of


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Registration No. 5064 issued on 16 July 1955. The registration was later renewed under Certificate of Registration No. 1609, issued on 16 July 1975, and further renewed on 16 July 1995.

10. In the courses of Respondent's extensive and notorious use and appropriation of its Core Marks to identify its products throughout the world, the CATERPILLAR and CAT Marks became firmly established as well-known marks and have obtained goodwill and general international consumer recognition as belonging to only one source, i.e., Respondent-Caterpillar, Inc. *(footnotes omitted)*⁸

The Appellee has used and expanded the application of its marks to various products, business, and services and has developed variations of this mark including CAT AND DESIGN.⁹ It is, therefore, only just and equitable that the Appellee be allowed registration of CAT AND DESIGN.

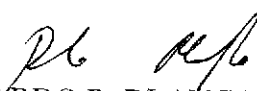
On the other hand, other than the registration and applications for registration of a mark similar to those of the Appellee, the Appellant failed to explain how it arrived in using the mark CATERPILLAR or the similar mark "CAT. and design". Between the Appellee, which has established prior and continuous use of the mark CATERPILLAR and variations thereof like CAT and CAT AND DESIGN in its business operations, and the Appellant who uses CATERPILLAR much later than the Appellee, any doubt should be resolved in favor of the Appellee.

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. The registration of the Appellee's mark for CAT AND DESIGN has been delayed for several years now and it is but only fitting to give to the Appellee the registration of a mark where its ownership and use are clearly established.

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



⁸ MEMORANDUM dated 02 January 2014, pages 5 and 6.

⁹ ANSWER dated 13 March 2003, pages 7 to 12.

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