



OFFICE OF THE DIRECTOR GENERAL

LKY RESORT AND HOTELS INC.,
Appellant,

Appeal No. 04-2013-0006

-versus-

Application No. 4-2011-009613

Date Filed: 12 August 2011

Trademark: THE ORIENTAL
AND LOGO

DIRECTOR OF BUREAU OF
TRADEMARKS,

Appellee.

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DECISION

LKY RESORT AND HOTELS INC. (“Appellant”) appeals the decision of the Director of Bureau of Trademarks (“Director”) sustaining the final rejection of the Appellant’s application to register the mark “THE ORIENTAL AND LOGO”.

On 12 August 2011, the Appellant filed Trademark Application No. 4-2011-009613 for THE ORIENTAL LOGO for use on services for providing food and drinks, and temporary accommodation. Subsequently, the Examiner-in-Charge (“Examiner”) issued a “REGISTRABILITY REPORT”¹ stating that the mark may not be registered because it is identical with a registered mark for the same goods or services belonging to a different individual or entity and that the mark resembles a registered mark belonging to a different proprietor and the resemblance is likely to deceive or cause confusion.

The Appellant filed a “RESPONSIVE ACTION” dated 02 November 2011 claiming that its mark and the marks cited by the Examiner are not identical and that its mark will not cause likelihood of confusion. The Appellant stated that the features, colors, font, and other elements of its mark are sufficiently and clearly different from the marks cited by the Examiner. The Appellant claimed that the focus on its mark should not only cover the predominant words but also the other features appearing on the labels. The Appellant averred that the marks cited by the Examiner is only a “word” mark while the presence or addition of the logo in its mark as well as the specialized kind of font used make its mark distinctive. The Appellant maintained that the word “ORIENTAL” generally means eastern part or may refer to Asians and hence, it is a word of general usage.

On 06 January 2012, the Examiner issued a “FINAL REJECTION”² reiterating her findings that the registration of the Appellant’s mark is likely to

¹ Paper No. 5 with mailing date of 20 September 2011.

² Paper No. 07 with mailing date of 10 January 2012.

deceive or cause confusion because it nearly resembles registered marks under the name of Mandarin Oriental Services B.V..

On 06 March 2012, the Appellant filed a “NOTICE OF APPEAL” to the Director claiming that its mark is not confusingly similar to any of the marks cited by the Examiner and that the buying public will not be deceived or confused. In sustaining the final rejection of THE ORIENTAL AND LOGO, the Director held that the dominant feature in the Appellant’s mark is the word “ORIENTAL” which is the essential feature in the marks cited by the Examiner. The Director ruled that the Appellant’s mark and the marks cited by the Examiner show similarity as to sound, connotation, and commercial impression and that these marks are applied to related services. The Director also held that while the buyers of the services of the Appellant may be sophisticated or knowledgeable and, thus, would choose and purchase with care, this does not necessarily mean that they are immune to source confusion. According to the Director, to allow the registration of the Appellant’s mark will defeat the economic function of trademarks and that senior marks that have already generated goodwill are entitled to protection.

On 04 October 2013, the Appellant filed an “APPEAL MEMORANDUM” contending that its mark and the marks cited by the Examiner have different dominant features and that the prevalent feature of its mark is the representation of a flower. The Appellant argues that the customers or the buyers of hotel services will not be deceived or confused and that they are more discerning than ordinary purchasers. According to the Appellant, hotel services are generally obtained by reservation and after deliberate consideration, thus, the buyer is predisposed to be cautious and discriminating. The Appellant asserts that the locations where the competing marks are used are different and that it is absurd and incredible to expect that the sophisticated customer of hotel services will be confused between the origins of these hotels.

On 14 November 2013, the Director filed her “COMMENT” adopting her reasons stated in the decision stating that the dominant feature in the Appellant’s mark is the word “ORIENTAL”. The Director maintains that “THE ORIENTAL” are not unique words coined by the Appellant but were originated by the predecessor-in-interest of the owner of the marks cited by the Examiner. The Director claims that “The Oriental” was the precursor of the name “Mandarin Oriental Hotel Group”. The Director avers that she used the foreign decision on *In re E. I. du Pont de Nemours & Co.*³ as reference and evaluative tool in ruling that there is confusing similarity between the Appellant’s mark and the marks cited by the Examiner.

The issue in this appeal is whether the Director was correct in sustaining the final rejection of the Appellant’s application to register the mark THE ORIENTAL AND LOGO.

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

³ 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973).

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.⁴

In this regard, Sec. 123.1(d) of the Intellectual Property Code of the Philippines (“IP Code”) states 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;

Below are the illustrations of the Appellant’s mark and the marks cited by the Examiner:



Appellant's mark



ORIENTAL

Marks Cited by the Examiner

A scrutiny of these marks shows the presence of the word “oriental” in all of them and that the presence of this word is very obvious and noticeable. There is, therefore, no merit to the argument of the Appellant that the word “oriental” is not dominant or prevalent in its mark. In addition, neither the presence of a figure of a flower to the Appellant’s mark nor the contention that the customers or the buyers of hotel services will not be deceived or confused and that they are more discerning than ordinary purchasers, will save the day for the Appellant.

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

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.⁵ 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 services.

The statement by the Supreme Court in another 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.⁶

In this instance, the Appellant has "millions of terms and combinations of letters and designs available" from which it can choose to use for its services. It is, thus, surprising why the Appellant is insisting in using a mark which has been previously appropriated and used by another proprietor in similar services. The field from which the Appellant may select a trademark is practically unlimited.

The marks cited by the Examiner have been registered to a different proprietor for several years and are used on services similar and related to the services offered by the Appellant of providing temporary accommodation. In this regard, to allow the registration of a similar mark as that of the Appellant's would go against the rationale of trademark registration.

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.⁷ 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.⁸ 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

⁵ Intellectual Property Code, Sec. 138.

⁶ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.

⁷ Trademark Regulations, Rule 600.


⁸ Trademark Regulations, Rule 602.

services. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

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.

22 SEP 2014 Taguig City.


RICARDO R. BLANCAFLOR
Director General