

MAGNOLIA INCORPORATED,
Opposer,

-versus-

DYNAMIC MULTI-PRODUCTS, INC.,
Respondent- Applicant.

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IPC No. 14-2008-00241
Opposition to:
Appln. Serial No. 4-2006-008852
Date Filed: 11 August 2006
TM: "GOLD LABEL"

NOTICE OF DECISION

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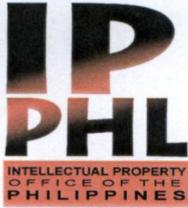
GREETINGS:

Please be informed that Decision No. 2016 - 79 dated March 14, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 14, 2016.

For the Director:

Edwin O. Dating
Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



MAGNOLIA INCORPORATED,
Opposer,

IPC NO. 14-2008-00241

-versus-

Opposition to:
Appl. Ser. No. 4-2006-008852
(Filing Date: 11 August 2006)
Trademark: "GOLD LABEL"

DYNAMIC MULTI-PRODUCTS, INC.
Respondent-Applicant.

X-----X

Decision No. 2016- 79

DECISION

MAGNOLIA INCORPORATED¹ ("Opposer") filed on 06 October 2008 a Verified Notice of Opposition to Trademark Application Serial No. 4-2006-008852. The application, filed by Dynamic Multi-Products, Inc.² ("Respondent-Applicant"), covers the mark "GOLD LABEL" for use on "oats" under Class 31 of the International Classification of Goods and Services.³

The Opposer alleges among other thing that, the mark applied for registration by the Respondent-Applicant is identical to its mark "GOLD LABEL" and to its parent company San Miguel Corporation's ("SMC") mark "MAGNOLIA ICE CREAM GOLD LABEL". According to the Opposer, the registration of the mark GOLD LABEL in favor of the Respondent-Applicant is contrary to Sec. 123.1, pars. (d) to (f), of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code").

x x x

"(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

¹ A corporation organized and existing under the laws of the Republic of the Philippines, with office address at SMFG Compound Legaspi cor. Eagle Streets, Barrio Ugong, Pasig City.

² With business address at 55 Joy Street, Grace Village, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The 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.

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;
- "(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services; Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;
- "(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided, further, That the interests of the owner of the registered mark are likely to be damaged by such use";

The Opposer's evidence consists of the following:

1. copy of the application details of the GOLD LABEL mark;
2. Affidavit of Atty. Majalla Baun, Manager for Intellectual Property Administration of SMC;
3. copy of the certification that the mark MAGNOLIA ICE CREAM GOLD LABEL DEVICE is registered;
4. copy of the Trademark Application No. 49231 filed by SMC on 24 Sept. 1982;
5. copy of the Certificate of Registration for the mark GOLD LABEL bearing Reg. No. 2995 issued to SMC on 3 Feb. 1989;
6. copy of an inter-office memorandum dated 01 Sept. 1989 regarding the increase of prices for Magnolia products, including Gold Label product line;
7. copy of an 1998 Annual Report of SMC which features Magnolia products and the introduction of the Gold Label Super Premium line of ice cream products;
8. copy of KAUNLARAN, the newsletter of the SMC for the month of Feb. 1989 which features an article on the Opposer and its various product lines, including Gold Label Super Premium product line;
9. copy of the Affidavit of Use("AOU") executed and signed 3 Feb. 1989 which was submitted to this Honorable Office and may be found in the file wrapper of the GOLD LABEL mark bearing Reg. No. 49231 issued on 3 Feb. 1989, and proves that the GOLD LABEL products were being sold in Unimart, Inc. and Landmark Inc at the time of the execution of the AOU;
10. copy of 1991 Annual Report featuring the Gold Label product line;
11. copy of the Certificate of Copyright Registration for MAGNOLIA GOLD LABEL ICE CREAM, completed on 12 July 1978, issued by the National Library;
12. Copy of the Certificate of Copyright Registration for EXQUISITELY BREWED NEW:

13. IRISH COFFEE CLASSIC GOLD LABEL SUPER PREMIUM, printed on 15 Mar. 1990, issued by the National Library on 26 Apr. 1990;
14. letter from SMC dated 7 Sept. 2006 regarding the new flavors of its Magnolia ice cream products, which includes the Gold Label product line;
15. application details of Respondent-Applicant's mark GOLD LABEL bearing App. No. 4-2006-008852 as printed from the Intellectual Property Office website, last accessed on 01 Oct. 2008;
16. printout from the highbeam encyclopedia website which states that oat flour is a preservative used in ice cream, <http://www.encyclopedia.com/doc/1E1-oats.html>, last accessed on 01 Oct. 2008;
17. a printout from the Manila Bulletin website featuring the Nestle Creamery restaurant and its Vanilla Oaty Rum Caramel (vanilla ice cream mixed with roasted oats and caramel sauce), <http://www.mb.com.ph/issues/2008/06/12/20080612127053.html>, last accessed on 01 Oct. 2008;
18. printout from the bigoven website which features a recipe mixing ice cream and oats, <http://www.bigoven.com/99933-Ice-Cream-Crown-Oatmeal-recipe.html>, last accessed on 01 Oct. 2008;
19. copies of the following publications: Daily Tribune (13 July 2008);
20. Philippine Star (02 Aug. 2008); People's Tonight (01 Aug. 2008);
21. Philippine Star (24 Jan. 2008) and Daily Tribune (27 Jan. 2008);
22. covers of the ice cream container containing the label design for the mark GOLD LABEL;
23. an advertising material containing the packaging information, proper storage and handling, quality assurance and the various pricing for GOLD LABEL products;
24. copy of a poster for the mark GOLD LABEL here in the Philippines;
25. copies of advertisements for ice cream products bearing the GOLD LABEL mark; table stand for ice cream products bearing the GOLD LABEL mark;
26. leaflet for ice cream products bearing the GOLD LABEL mark;
27. invoices for UAE, Qatar, Saudi Arabia, UK and Dubai; and
28. Affidavit of Atty. Baun for copies of the certificates of registrations in different countries⁴

The Respondent-Applicant filed their Answer on 13 March 2009 and avers the following denying the material allegations in the opposition and, as affirmative defense, claims that the opposition is unverified. According to the Respondent-Applicant, the mark it seeks to register is not confusingly similar to the Opposer's and that the latter cannot avail of the protection accorded to well-known marks because its marks are not well-known.

To support the defense of its trademark application, the Respondent-Applicant submitted the following as evidence:

1. certified true copy of Trademark Reg. No. 4-2003-008361 for the mark "GOLD LABEL DELICIOUS SPECIAL PANCIT CANTON LABEL MARK";

⁴ Marked as Exhibits "A" to "Y", inclusive.

2. certified true copy of Trademark Reg. No. 4-1995-101844 for the mark "GOLD LABEL TASTY BIHON CHINA LABEL";
 3. certified true copy of Trademark Registration No. 52042;
 4. Sworn Affidavit of Bio Lim Yao, President and General Manager of Dynamic Multi-Products, Inc.;
 5. Sworn Affidavit of Grace Yao, Vice-President and Corporate Secretary of Dynamic Multi-Products, Inc.;
 6. copies of SM Supermarket catalogues;
 7. Affidavit of Michael Angelo G. Padilla, Buyer of Robinson Supermarket;
 8. Affidavit of Theresa V. Serrano, Buyer of Unimec Supermarket;
 9. Affidavit of Paquito Sacupayao, Marketing and Operation Manager of Sta. Lucia Supermarket; and
- Affidavit of Diana Ross Sebastian Leyson, Billing Officer of Dynamic Multi-Products, Inc.⁵

With respect to the Respondent-Applicant's allegation that the Opposition is not verified, the Rules on Notarial Practice⁶ now requires a party to the instrument to present competent evidence of identity. The Respondent-Applicant claims that the Opposer's Assistant Corporate Secretary's Community Tax Certificate ("CTC") is not considered competent evidence of her identity, and therefore Secretary's Certificate cannot be admitted to prove the authority of the signatory to the verification. This requirement, however, is prescribed when the party is not personally known to the Notary Public, as in this case. Thus, it did affirm the validity of the Secretary's Certificate even though what was presented as competent evidence of identity was a mere CTC. Likewise, the Notice of Opposition turned out to be sufficient for this Bureau when it issued the Notice to Answer.

Thus, and going now to the second issue of whether or not the Respondent-Applicant should be allowed to register the word mark GOLD LABEL for use on "oats" under Class 31. Respondent-Applicant's trademark application for GOLD LABEL should not be granted. The competing marks are identical, as shown below:

GOLD LABEL

Opposer's mark

GOLD LABEL

Respondent-Applicant's mark

Both the Opposer and the Respondent-Applicant have prior registered trademarks bearing the words GOLD LABEL, as shown below:

⁵ Exhibits "1" to "14", inclusive.

⁶ Rule II, Sec. 12 of the 2004 Rules on Notarial Practice.



Opposer's mark



Respondent-Applicant's mark

The Opposer's GOLD LABEL marks are used for food and food ingredients. Also, the Respondent-Applicant's application covers goods that are similar and/or closely related to the Opposer's. The Respondent-Applicant's filing of their trademark application on 11 August 2006 for the word mark GOLD LABEL for use on "oats" under Class 31, however, was subsequent to Opposer's trademark application on 24 June 2004, likewise for the word mark GOLD LABEL for use on "ice cream" under Class 30.

Considering that the goods indicated in the Respondent-Applicant's trademark application are similar and/or closely-related to the Opposer's, particularly, food and food ingredients, it is likely that consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁷

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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

⁷ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

⁸ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a checkmark-like flourish.

The Opposer raises the issue of trademark ownership, tracing the use of the GOLD LABEL marks by its parent company, SMC, in the 70s, mainly for dairy ice cream. It is the prior user, having used the GOLD LABEL mark for ice cream products way before the Respondent-Applicant appropriated the GOLD LABEL mark for food products.

That the Respondent-Applicant was able to register the contested mark before is of no moment. It is emphasized that 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.⁹ In this regard, the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of TRIPS Agreement reads:

Section 2: Trademarks
Article 15
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.

2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).

3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.

4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.

5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Art. 16(1) of the TRIPS Agreement states:

Article 16
Rights Conferred

⁹ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, the IP Code adopted the definition of the mark under the old law on Trademarks (Rep. Act No. 166), to wit:

121.1 "Mark" means 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; (Sec. 38, R.A. No. 166a).

Sec. 122 of the IP Code also states:

Sec. 122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law. Significantly, Sec. 122 refers to Sec. 2-A of R.A. 166, as amended (the old Law on Trademarks), which states:

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

In Shangri-La International Hotel Management, Ltd., et. al v. Developers Group of Companies, Inc.,¹⁰ the Supreme Court defined the import and scope of Sec. 2-A of RA 166, thus:

x x x For, while Section 2 provides for what is *registrable*, Section 2-A, on the other hand, sets out how *ownership* is acquired. These are two distinct concepts.

Under Section 2, in order to register a trademark, one must be the owner thereof and must have actually used the mark in commerce in the Philippines for 2 months prior to the application for registration. Since "ownership" of the trademark is required for registration, Section 2-A of the same law sets out to define how one goes about acquiring ownership thereof. Under Section 2-A of the same law sets out to define how one goes about acquiring ownership thereof. Under Section 2-A, it is clear that actual use in commerce is also the test

¹⁰ G.R. No. 159938, 31 Mar. 2006

of ownership but the provision went further by saying that the mark must not have been so appropriated by another. Additionally, it is significant to note that Section 2-A does not require that the actual use of a trademark must be within the Philippines. Hence, under R.A. No. 166, as amended, one may be an owner of a mark due to actual use thereof but not yet have the right to register such ownership here due to failure to use it within the Philippines for two months. (Underscoring supplied)

Clearly, it is not the application nor the registration that confers ownership of a mark, but it is the ownership of the mark that confers the right to registration.

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.

With the above findings, there is no need to pass upon the issue of whether or not the Opposer's GOLD LABEL trademarks are well-known.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2006-008852 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 14 March 2016.


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs