

**SCHWAN-STABILO SCHWANHAUBER
GMBH & CO. KG,**
Opposer,

-versus-

AMALGATED SPECIALTIES CORP.,
Respondent-Applicant.

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IPC No. 14-2013-00168
Opposition to:
Appln. Serial No. 4-2012-011343
Date Filed: 14 September 2012
TM: "LOTUS HIGHLIGHTER"

NOTICE OF DECISION

BARANDA & ASSOCIATES
Counsel for the Opposer
Suite 1002-B Fort Legend Towers
3rd Avenue corner 31st Street
Bonifacio Global City, Taguig City

FIRST IP CONSULTANCY
Counsel for Respondent-Applicant
L13 B152, Casa Milan Neopolitan V.
Commonwealth Avenue, North Fairview
Quezon City

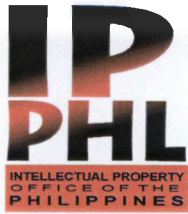
GREETINGS:

Please be informed that Decision No. 2016 - 39 dated February 10, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 10, 2016.

For the Director:

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



**SCHWAN-STABILO SCHWANHÄUBER
GMBH & CO. KG,**

Opposer,

-versus-

IPC No. 14-2013-00168
Opposition to Trademark
Application No. 4-2012-011343
Date Filed: 14 September 2012

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x ----- x

TM: "LOTUS HIGHLIGHTER"

Decision No. 2016- 39

DECISION

Schwan-Stabilo Schwanhäuber GMBH & Co. KG¹ ("Opposer") an opposition to Trademark Application Serial No. 4-2012-011343. The contested application, filed by Amalgated Specialties Corporation² ("Respondent-Applicant"), covers the mark "LOTUS HIGHLIGHTER" for use on "highlighter" under Class 16 of the International Classification of Goods³.

The Opposer avers, among others, that it is part of Schwan-Stabilo Group, which started in 1865. In 1971, it launched a completely revolutionary new pen, the Stabilo 3-dimensional (3D) highlighter. According to the Opposer, its designer made one model after another. The designer produced from modeling clay a conical cylinder, which seemed a promising idea, but still hardly anything new. In frustration, he squashed the model in front of him with a flat of his hand. Then, special design details were added. Until the present, the revolutionary shape remains the highlight of its entire product category.

The Opposer claims that its 3D highlighters are so well known that it has been featured in various newspapers, magazines and media worldwide apart from the website www.stabilo.com. In 2011, its original fluorescent 3D highlighter turned forty (40) years old. It obtained registrations for word marks, "STABILO" and "BOSS", for the "3 DIMENSIONAL HIGHLIGHTER" mark in Turkey on 12 March 1989 and in other different jurisdictions. and In the Philippines, its products were sold since 1990 and it maintains a website, www.stabilo.ph. It was also issued Certificate of Registration Nos. 8570, 4-2010-002515 and 4-2001-004490 on 19 December 1991, 05 March 2010 and 16 April 2004, respectively.

¹ A corporation duly organized and existing under the laws of Germany with principal office at Schwanweg 1, 90562 Heroldsberg, Germany.

² A domestic corporation with principal office at Km. 21 West Service Road, Alabang, Muntinlupa City, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

The Opposer contends that the Respondent-Applicant's mark "LOTUS HIGHLIGHTER" consists of a shape that is identical that of its 3D highlighter marks as follows: (1) the tapering shape of the pen, widest at the joining of the pen and narrowest/tapered at the bottom, (2) a solid black colored cap distinguished from the color of its body with distinctive depression on each side of the cap, and (c) a circular depression on the tip of the cap. It asserts that the additional elements incorporated by the Respondent-Applicant such as the clip and the surface interruptions on the cap are hardly noticeable because of their black color. It furthers that the black color of the cap is even one of the distinctive elements of its marks. It claims to take protection of its intellectual property rights such as in Germany and Serbia wherein it challenged the use of a third party of a similarly-shaped highlighter. In the country, it has caused publication of trademark notices in broadsheet newspapers, monitored against manufacturing, distribution and sale of counterfeit products, initiated enforcement actions and in 24 April 2012, conducted a raid action. In support to its Opposition, the Opposer submitted the affidavit of Sebastian Meyer, its Director of Law, Compliance and Patents, with annexes.⁴

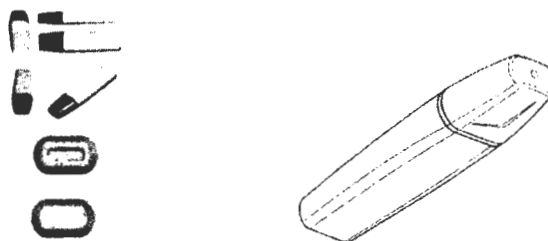
A Notice to Answer was issued and served upon the Respondent-Applicant on 24 September 2013. The latter, however, did not file its Answer. On 10 December 2013, the Hearing Officer issued Order No. 2013-1659 declaring the Respondent-Applicant on default. On 01 April 2014, the Opposer appeared for the comparison of its exhibits with the original copies thereof. After which, the case is deemed submitted for resolution.

The issue to be resolved is whether Respondent-Applicant's mark "LOTUS HIGHLIGHTER" should be allowed registration.

Records reveal that at the time the Respondent-Applicant filed its application on 14 September 2012, the Opposer has valid and existing registrations under Certificate of Registration Nos. 4-2001-004490 and 4-2010-002515 issued on 25 June 2001 and 05 March 2010, respectively.

To determine whether the marks of Opposer and Respondent-Applicant are confusingly similar, the competing marks are shown hereafter for comparison:

Opposer's marks:



⁴ Marked as Exhibits "C", inclusive.

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Respondent-Applicant's mark



When one looks at the Opposer's marks, what is impressed and retained in the eyes and mind is the shape of its highlighter pens characterized by a flat design, wide center and narrowing ends. This design has no connection to the use or purpose of the products involved. It is not required for highlighter pens to be flat with bulging middle portion and slimming ends to perform their function as such. In view of the distinctiveness of the said 3D designs, even without the brand name or label, the design itself sufficiently indicates that the goods are that of the Opposer's.

On the other hand, the Respondent-Applicant's applied mark appropriates the same features. The latter merely added a clip design and the brand name "LOTUS". These notwithstanding, the likelihood of confusion subsist. Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchased as to cause him to purchase the one supposing it to be the other.⁵

Moreover, the Opposer's registrations also cover highlighters under Class 16, which the Respondent-Applicant seeks to register its mark "LOTUS HIGHLIGHTER". Thus, it is highly probable that the purchasers would be led to believe that Respondent-Applicant's mark is a mere variation of Opposer's mark. Withal, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.⁶

Furthermore, the likelihood of confusion would not extend not only as to the purchaser's perception of the goods but likewise on its origin. Callman notes two types of confusion. The first is the *confusion of goods* "in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was

⁵ Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

⁶ Skechers, USA, Inc. vs. Inter Pacific Industrial Trading Corp., G.R. No. 164321, 23 March 2011.

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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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."⁷

Finally, 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 Based on the above discussion, Respondent-Applicant's trademark fell short in meeting this function. The Respondent-Applicant was given ample opportunity to defend her trademark application but she did not bother to do so.

Accordingly, this Bureau finds and concludes that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1(d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2012-011343 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 10 February 2016.


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

⁷ Societe cles Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 8 August 2010.

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