

SUB-ZERO, INC.,

Opposers,

- versus -

CEBU SUBZERO LOGISTICS INC.,

Respondent-Applicant.

X-----X

IPC NO. 14-2014-00058

Appln. No. 4-2013-501670

Date Filed: 03 July 2013

TM - "CEBU SUBZERO LOGISTICS INC. & DESIGN"

NOTICE OF DECISION

CESAR CRUZ AND PARTNERS

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GREETINGS:

Please be informed that Decision No. 2016 - 368 dated October 10, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 10, 2016.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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SUB-ZERO, INC.,	}	IPC NO. 14-2014-00058
Opposer,	}	
	}	Opposition to:
-versus-	}	Appln. Serial No. 4-2013-501670
	}	Date Filed: 03 July 2013
CEBU SUBZERO LOGISTICS	}	TM: CEBU SUBZERO LOGISTICS
INC.,	}	INC. & DESIGN
Respondent-Applicant.	}	
x-----x	x	Decision No. 2016- <u>368</u>

DECISION

SUB-ZERO, INC.,¹ ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2013-501670. The application, filed by CEBU SUBZERO LOGISTICS, INC.² ("Respondent-Applicant") covers the mark **CEBU SUBZERO LOGISTICS INC. & DESIGN** for use on "*providing self-storage facilities for others, transport and delivery of goods*" under Class 39 of the International Classification of Goods.³

Opposer alleges that the Respondent-Applicant's application for the registration of the mark **CEBU SUBZERO LOGISTICS INC. & DESIGN** should not be allowed as it is contrary to Section 123.1 (d) and (f) of the IP Code. The act of Respondent-Applicant in adopting the subject mark for its cold storage facilities is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of Opposer's SUB-ZERO mark and will result in the diminution of the value of the Opposer's mark. According to Opposer, its SUB-ZERO mark was first used in 1945 and was first registered on 13 June 1989 in the United States. In the Philippines, the Opposer is the owner of the SUB-ZERO mark by prior and actual use in commerce and prior registration in the Philippines.

Opposer's evidence consist of the following:

1. A Special Power of Attorney authorizing Cesar C. Cruz & Partners Law Offices as Attorney in Fact of SUBZERO in herein case;
2. Affidavit of Blaine R. Renfert;
3. Sampling of Certificate of Registrations of the mark SUB-ZERO;
4. Summary of the Opposer's sales of product bearing the SUB-ZERO mark;
5. Promotional and marketing materials used in the promotion of SUB-ZERO;

¹ A corporation duly organized and existing under the laws of the United States of America with principal office at 4717 Hammersley Road, Madison, WI 53711, U.S.A.

² A domestic corporation with office address at Dr. F.E. Zuellig Avenue, Subangdaku, Mandaue City, Cebu Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service 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.

6. Details of applications and registrations for the mark SUB-ZERO;

This Bureau issued and served upon Respondent-Applicant a Notice to Answer on 6 May 2014. After a motion for extension, Respondent-Applicant filed the Answer on 24 July 2014 stating that the mark CEBU SUBZERO LOGISTICS INC. & DESIGN is not confusingly similar to the SUB-ZERO of Opposer. Respondent-Applicant posits that its mark is strikingly different from that of Opposer's and that there is no way for consumers to be confused that the two marks are the same.

On 20 April 2015, the case was referred to the Alternative Dispute Resolution (ADR) Services for mediation conference but the parties refused to mediate. On 12 November 2014, the preliminary conference was terminated and the parties were directed to submit position papers. On 17 December 2014, Opposer filed its Position Paper while Respondent-Applicant did so on 13 January 2016.

Should the mark **CEBU SUBZERO LOGISTICS INC. & DESIGN** be allowed registration?

Opposer anchors its opposition on Section 123.1 (d) of the IP Code which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

Records will show that at the time Respondent-Applicant filed its application for registration of the mark **CEBU SUBZERO LOGISTICS INC. & DESIGN** on 03 July 2013, Opposer already has an existing registration for the marks **SUB-ZERO** and **SUB-ZERO & DEVICE** issued in 2004 and 2007, respectively. As such between Opposer and Respondent-Applicant, the former has the priority date.

But are the marks similar as to likely cause confusion, mistake or deception on the part of the public?

The competing marks are reproduced hereunder:

SUB-ZERO



Opposer's Marks



Respondent-Applicant's Mark

A scrutiny of the marks of the parties would show that both Opposer's and Respondent-Applicant's marks contain the word "SUBZERO". Opposer's first mark consist of the word SUB-ZERO, the words "sub" and "zero" separated by a hyphen and plainly written in upper case letters. Its second mark also consists of the word SUB-ZERO written in plain uppercase letters placed inside a blue-colored geometric shape or device. On the other hand, Respondent-Applicant's mark consists of the words CEBU SUBZERO LOGISTICS INC. written in plain uppercase letters with a blue-colored snowflake-like design placed on the left portion of the words CEBU SUBZERO LOGISTICS INC. While Respondent-Applicant's mark contains other words and a device, what sticks to the mind of the consumer is the word SUBZERO. Further, Respondent-Applicant has disclaimed⁴ the words "CEBU" and "LOGISTICS INC" which means that it seeks the exclusive use of the word "SUBZERO" and how the composite mark appears as a whole. Thus, the allowance of registration of Respondent-Applicant's mark "CEBU SUBZERO LOGISTICS INC. " will likely cause confusion, mistake or deception to the public, into believing that CEBU SUBZERO LOGISTICS INC. is related to or is a variant Opposer's mark. On the other hand, the differences in the presentation of Respondent-Applicant's mark does not in any way discard the finding of confusing similarity with Opposer's mark.

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 purchaser as to cause him to purchase the one supposing it to be the other⁵. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article⁶.

But what about the goods upon which the marks are used? Opposer's mark is used in "refrigerators and freezers" under Class 11 while that of Respondent-Applicant is being applied for use in "providing self-storage facilities for others, transport and delivery of goods"

⁴ A disclaimer indicates that a registrant or applicant does not claim an exclusive right to the specified element(s) of the mark by itself. It also enables the registration of a mark that is registrable as a whole, but contains matter that would not be registrable by itself.

⁵ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

⁶ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

under Class 39. While the goods/services of the parties belong to different classes, it does not automatically makes them non-competing or unrelated.

In *Mighty Corporation v. E. & J. Gallo Winery*⁷, the Court held that, "non-competing goods may be those which, though they are not in actual competition, are so related to each other that it can reasonably be assumed that they originate from one manufacturer, in which case, confusion of business can arise out of the use of similar marks."

Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trade mark or trade-name is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field.⁸ Mere dissimilarity of goods should not preclude relief where the junior user's goods are not too different or remote from any that the owner would be likely to make or sell.⁹

In this case, the products/services covered by the Respondent-Applicant's mark are not totally unrelated to the goods covered by Opposer's marks. Opposer's mark is used for "refrigerators and freezers" while Respondent-Applicant's mark is being applied for providing self-storage facilities for others, transport and delivery of goods." Nowadays, in providing storage, transport and delivery services, especially in perishable goods, cold storage facilities and refrigerated transport are common. Because of the similarity of the marks of the parties, the consumer who is familiar with Opposer's goods might be misled into thinking that the services being offered by Respondent-Applicant is related to Opposer or that it has extended its business into the field.

The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof.¹⁰ 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 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.¹¹

It has been held time and again that in cases of grave doubt between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest

⁷ 478 Phil. 615 (2204).

⁸ *Sta. Ana v. Maliwat, et. al.* G.R. No. L-23023. August 31, 1968.

⁹ *Supra.*

¹⁰ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

¹¹ *Sterling Product International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft*, G.R. No. L-19906. April 30, 1969.



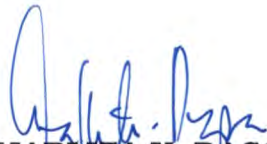
dealing has already achieved favour with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.¹²

Accordingly, this Bureau finds 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. 4-2013-501670, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **10 OCT 2016**


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

¹² See *Del Monte Corporation et. al. v. Court of Appeals*, GR No. 78325, 25 Jan. 1990.