

UNILEVER N.V.,	}	IPC No. 14-2011-00450
Opposer,	}	Opposition to:
	}	Appln. Serial No. 4-2011-005726
	}	Date Filed: 18 May 2011
-versus-	} } }	TM: "TEEN: CLEAR AND DEVICE"
AMOREPACIFIC CORPORATION,	{	
Respondent- Applicant.	}	
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# NOTICE OF DECISION

# **QUISUMBING TORRES**

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# **FEDERIS & ASSOCIATES LAW OFFICES**

Counsel for Respondent-Applicant Suite 2004 & 2005, 88 Corporate Center 141 Valero Street cor., Sedeno Sts. Salcedo Village, Makati City

### GREETINGS:

Please be informed that Decision No. 2016 - 248 dated July 14, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 14, 2016.

For the Director:

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

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE



UNILEVER N.V.,

Opposer,

IPC No. 14-2011-00450

-versus-

Opposition to:

Application No. 4-2011-005726

Date Filed: 18 May 2011

Trademark: "TEEN: CLEAR

AND DEVICE"

Decision No. 2016- 248

AMOREPACIFIC CORPORATION,

Respondent-Applicant. }

#### DECISION

UNILEVER N.V.1 ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-005726. The application, filed by Amorepacific Corporation<sup>2</sup> ("Respondent-Applicant"), covers the mark "TEEN: CLEAR AND DEVICE" for use on "essential oils for cake flavorings; color brightening chemicals for household laundry purposes; laundry starch; cosmetics; skin lotions; lipsticks; cosmetic preparations for skin care; perfumery; beauty masks; cleaning preparations; hair shampoos; dentifrices; boot creams; furniture polish; abrasive preparations" under Class 03 of the International Classification of Goods and Services.3

The Opposer alleges:

Opposer hereby respectfully invokes the authority of this Honorable Office to deny the application for registration of a mark sought by Respondent. Opposer is the first user and owner of the well-known CLEAR trademarks. As held by the Supreme Court in American Chicle Co. v. Topps Chewing Gum, Inc., to wit:

- The Philippines and the Netherlands, where Opposer is incorporated, are parties-signatories to the Paris Convention for the Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights of the World Trade Organization and are members of the WTO and the World Intellectual Property Organization, which were all intended, inter alia, for the protection of industrial property.
- Opposer brings the present action pursuant to Section 2, Article Ii of the Philippine Constitution, which provides that the Philippine adopts, among others, the generally accepted principles of international law as part of the law of the land and

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A corporation duly organized and existing under the laws of the Netherlands, with principal address at Weena 455, Rotterdam 3013 AL, The

<sup>&</sup>lt;sup>2</sup>With address at 181, 2-GA, Hangang-Ro, Yongsan-Gu, Seoul Republic of Korea.

<sup>&</sup>lt;sup>3</sup>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.

adheres to the policy of peace, equality, justice, freedom, cooperation and unity with all nations. Furthermore, Sections 3 and 160 of Republic Act No. 8293, otherwise known as the Intellectual Property Code, grants a right in favor of Opposer to seek redress before this Honorable Office insofar as it states that:

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- "4. The foregoing has been confirmed by the Supreme Court in La Chemise Lacoste v. Fernandez.
- "5. A cursory examination of the competing marks shows that Respondent's TEEN: CLEAR and DEVICE, on the one hand, and Opposer's CLEAR trademarks, on the other, are confusingly similar, if not identical, save for the incorporation of the word 'TEEN' in Respondent's mark, which alone constitutes sufficient ground for the Honorable Office to rule that the two marks are visually and aurally confusingly similar. The mark appears as follows:

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- "6. Hence, this verified Notice of Opposition, which rests on the following grounds:
  - "(a) Opposer is the prior user and first registrant of the CLEAR Trademarks in the Philippines, well before the filing date of Respondent's TEEN: CLEAR mark, which was filed only on 18 May 2011. The registration details of the various CLEAR Trademarks held by Opposer are as follows:

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- "(b) As registered owner of the CLEAR Trademarks, Opposer enjoys the exclusive right to prevent all third parties not having its consent from using in the course of trade identical or similar signs for goods which are Identical or similar to those in respect of which its trademarks are registered where such use would result in a likelihood of confusion.
- "(c) Respondent's TEEN: CLEAR mark is confusingly similar, if not identical, to Opposer's CLEAR Trademarks, and thus runs contrary to Section 123 of the IP Code. Section 123 (d), (e), (f) and (g) of the IP Code provide:

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Respondent's TEEN: CLEAR mark appropriates the vital element of Opposer's other CLEAR Trademarks that would support a finding of sufficient similarity, if not identity, between the competing marks in terms of spelling, pronunciation and appearance. In fact, Respondent's TEEN: CLEAR mark completely appropriates Opposer's well-known and registered CLEAR word mark under Registration No. 4-2005-000695.

The similarity between the marks is bolstered by the fact that Respondent's trademark application includes 'hair shampoos' under class 3. Hence,

The combination of the foregoing factors shows that Respondent's trademark application cuts too closely to the CLEAR Trademarks.

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Hence, the registration of Respondent's TEEN: CLEAR mark for the same goods under class 3 will confuse consumers into believing that TEEN: CLEAR originates from Opposer, or is otherwise sponsored by or associated with Opposer. In fact, a cursory examination of Respondent's mark would readily show that average consumers may be misled into believing that Respondent's TEEN: CLEAR hair care products is just a variant of Opposer's CLEAR shampoos, which is known to be a long line of products sold by Opposer.

All told, there appears to be a studied attempt to copy Opposer's well-known CLEAR Trademarks, and ride on the goodwill it has created through years of continuous use. By suggesting a connection, association or affiliation with Opposer, when there is none, Respondent will no doubt cause confusion among the minds of the general public and substantial damage to the goodwill and reputation associated with the CLEAR Trademarks, as well as Opposer's own business reputation.

"(d) The Opposer has also used and registered the CLEAR Trademarks in other countries, which thereby classifies the CLEAR Trademarks as registered and well-known trademarks, both internationally and in the Philippines.

> As such, Opposer is entitled to a wider scope of protection under Philippine law and to protect its CLEAR Trademarks against marks that are liable to create confusion in the minds of the public or used in bad faith under Article 6bis of the Paris Convention, thus:

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"(e) If allowed to proceed to registration, the consequent use of the TEEN: CLEAR mark by Respondent will amount to unfair competition with and dilution of Opposer's CLEAR Trademarks, which have attained valuable goodwill and reputation through years of extensive and exclusive use. This is prohibited under Section 168 of the IP Code.

Opposer's goodwill is a property right separately protected under Philippine law, and a violation thereof amounts to downright unfair competition proscribed under Article 10bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code:

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- "7. Opposer and/or its respective subsidiaries, joint ventures, sister concerns, predecessors-in-title, licensees and assignees in several other countries have extensively promoted the CLEAR Trademarks worldwide. The CLEAR Trademarks have obtained significant exposure for the goods upon which the marks are used in various media, including television commercials, advertisements, internationally well-known print publications, and other promotional events.
- "8. Opposer has not consented to Respondent's use and application for registration of the TEEN: CLEAR mark, or any other mark identical or similar to Opposer's CLEAR Trademarks.

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- "9. The goods for which Respondent seeks to use his TEEN: CLEAR mark are similar, identical or closely related to the goods that are produced by, originate from, or are under the sponsorship of Opposer. This will mislead the purchasing public into believing that Respondent's goods are produced by, originate from, or are under the sponsorship of Opposer, when in fact there is simply no connection between Respondent and Opposer. Potential damage to Opposer may result in light of its inability to control the quality of the products offered or put on the market by Respondent under the TEEN:CLEAR mark.
- "10. At the very least, the use by the Respondent of the TEEN: CLEAR mark in relation to its goods and services, whether or not identical, similar or closely-related to Opposer's own goods and services, will take unfair advantage of, dilute and diminish the distinctive character or reputation of the CLEAR Trademarks, which are valued assets of Opposer, thereby resulting in the clear irreparable damage to Opposer's goodwill and reputation.
- "11. It is apparent that Respondent's mark is calculated to ride on or cash in on the popularity of the CLEAR Trademarks, which undoubtedly have earned goodwill and reputation worldwide through Opposer's extensive use and promotion since 2007. There appears to be no reason why, of all the many words available in many languages, Respondent would choose to incorporate the word 'CLEAR' into its TEEN: CLEAR mark for 'hair shampoos' under class 3, except only to ride on the goodwill generated by Opposer.
- "12. Moreover, considering the substantial investment incurred by Opposer in promoting its goods and identifying themselves throughout the world through the CLEAR Trademarks, it is clear that Respondent's deceitful conduct in securing the registration of a mark similar to Opposer's and in exploiting the same is aimed towards unduly enriching himself at the expense of Opposer.
- "13. Under the circumstances, Respondent's trademark registration for TEEN: CLEAR under Application NO. 4-2011-005726, filed on 18 May 2011, must be denied.

The Opposer's evidence consists of the Notice of Opposition; the Special Power of Attorney executed by Opposer; the Affidavit of Ma. Leah Jose-Sebastian, Unilever Philippines Inc.'s General Counsel; actual product labels showing the CLEAR Marks on CLEAR products; samples and copies of the promotional materials of the CLEAR Marks in the Philippines; the Affidavit of Bienvenido A. Marquez III and a representative sample of various trademark registrations in the name of Opposer for CLEAR and derivative marks.<sup>4</sup>

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 13 January 2012. The Respondent-Applicant filed their Answer on 07 March 2012 and avers the following:

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<sup>&</sup>lt;sup>4</sup>Marked as Exhibits "A" to "G", inclusive.

### "SPECIAL AND/OR AFFIRMATIVE DEFENSES:

- "16. The foregoing allegations are re-pleaded.
- "17. Opposer has no cause of action.
- "18. The two contending trademark are not confusingly similar to each other. The over-all appearance of the contending trademarks exposes easily discernible substantial differences which eliminate confusion.
- "19. Easily seen is that Opposer's CLEAR trademarks do not sport a teardrop design, which is the prominent or dominant feature in the opposed TEEN: CLEAR and DEVICE. To prove this point:

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"20. And the other differences are very much visible, thus:

"a. Spelling

The literal elements of the contending trademarks sport a very obvious difference: Opposer's marks are have the letters C-L-E-A-R while Respondent-Applicant's mark contain a far greater number of letters, thus: T-E-E-N :-C-L-E-A-R. And Opposer's mark is composed of one syllable while Respondent-Applicant's mark is composed of two syllables.

"b. Sound

Resultantly, when pronounced, the contending marks will always sound different. The TEEN element in TEEN: CLEAR serves to very much give it a different sound when uttered, as compared to uttering the solo word CLEAR of Opposer.

"c. Features and Elements

Respondent-Applicant's mark is depicted with a blue water drop device as a backdrop, while Opposer's mark is used with a number of Different features and elements i.e. sphere, two curved lines below and above the word clear and a crescent-like figure.

- "21. Opposer cannot claim exclusivity over the word CLEAR.
  - "a. CLEAR has already been allowed co-existing registration in the name of various sellers, as proven by the database of the Bureau of Trademarks of the Intellectual Property Office accessible at <a href="https://www.ipophil.gov.ph">www.ipophil.gov.ph</a>, thus:

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"b. The same situation obtains in the US, where some of the CLEAR registered marks are used in connection with goods falling in Class 3, some of which cover shampoo and/or products relating to hair. Thus, the database of the US Patent Office, accessible at

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- "c. In fact, Opposer is estopped from claiming exclusivity over CLEAR as against Respondent-Applicant, because in several important jurisdictions, namely, in Japan, Hong Kong and Republic of South Korea, Respondent-Applicant's CLEAR trademarks have already been granted registration, co-existing alongside the trademark registration for Opposer's own CLEAR trademarks.
- "22. To sum up, records are clear that this Hon. Office has allowed other entitites to use the word CLEAR as part of their trademarks. What is more, the registrations granted to others are also for products falling under Class 3 including shampoos, as in the case of 'VISIBLY CLEAR,' 'FREE & CLEAR,' 'NATURAL CLEAR,' 'VITA CLEAR,' and 'NEU CLEAR.' And this is the same situation in the US. What is more, Respondent-Applicant has already been granted registration for its challenged CLEAR trademark, co-existing alongside Opposer's registererd CLEAR trademarks. CLEAR therefore, can never be claimed exclusively by Opposer.
- "23. Because CLEAR is also registered to various other parties, here and abroad, then this renders CLEAR a weak mark. McCarthy,s iting Colgate-Palmolive v. Carter-Wallace, Inc., and Knapp-Monarch Co. v. Polvoron Products, Inc., defines a weak mark as one which is in common use by many other sellers in the market.
  - "24. And the effects of a weak mark are well-settled:
    - "a. If the common element of conflicting marks is a word that is 'weak', then this reduces, if not cancels out, the likelihood of confusion as pointed by
    - "b. In Gruner & Jahr UA Publishing v. Meredith Corp., it was held that there was no likely confusion between 'PARENTS' and 'PARENTS DIGEST' for magazines because PARENTS portion was extremely weak. In another case, it was held that there is no likelihood of confusion between 'BED AND BREAKFAST REGISTRY' and 'BED AND BREAKFAST INTERNATIONAL', because the common part was the weak and descriptive phrase 'bed and breakfast.'
- "25. Opposer's claim of confusing similarity in the instant case is thus unavailing.
- "26. Respondent-Applicant is a successful company in its own right. It has tremendous goodwill world-wide, and therefore, the though of it, as depicted in the VNO, that it is out to ride on and profit form the goodwill of Opposer, is absolutely absurd.
  - "a. It is a global company that has successfully produced beauty and health care products for almost 65 years now. Its products have markets in Asia, China, United States of America, France and various countries worldwide. Among its top brands are include 'Amorepacific,'

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'Sulwhasoo,' 'Hera,' 'Laneige,' 'lope,' 'Mamonde,' 'Hannule,' 'Happy Bath,' 'Ryoe,' 'Lolita Lempicka,' 'Sulloc,' 'Innesfree,' and of course, the subject of the instant opposition, TEEN: CLEAR and DEVICE. These products are sold, distributed and marketed in numerous countries worldwide.

"b. It started out in the 1930s as a small family cosmetics business until September 1945 when it became a full-fledged company. Below is timeline of the milestone in Respondent-Applicant's history.

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- "c. More information about Respondent-Applicant is available at <a href="https://www.amorepacific.com">www.amorepacific.com</a>. Visitors to this website include internet users and customers from all parts of the world including the Philippines. Printouts of the website shall be submitted by the undersigned counsel.
- "27. Opposer's CLEAR cannot be deemed as well-known.
  - "a. Since CLEAR is obviously a commonplace mark, and is thus, a weak mark that prevents a claim of exclusive ownership by any party, it can therefore be concluded that CLEAR does not have the highly distinctive quality that is required in a trademark in order to qualify for protection under Section 123.1 (e) and (f) of the IP Code. Accordingly, this suffices to destroy Opposer's pretension that its CLEAR trademark is a 'well-known' mark.
  - "b. In any event, CLEAR hardly qualifies as well-known. In order for a mark to be considered well-known, it must be declares as such by a Philippine competent authority, and in the case of Opposer's CLEAR, there has been no such declaration to this effect. In point of fact, CLEAR is not included in the list of well-known marks recognized in the Memorandum issued by Minister Luis Villafuerte issued on November 20, 1980.
  - "c. Also, there is a clear set of criteria determinative of the well-known status of a mark, as set out in Rule 102 of the Implementing Rules and Regulations/Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers. But Opposer has not cited any facts or records to prove any of the criteria in its VNO.
- "28. While Opposer would make an attempt to cite trademark certificates marked as Annexes 'A-Series' of the VNO, they are however mere copies of the SCANNED copies in the custody of Opposer's counsel, which renders them inadmissible in evidence.

The Respondent-Applicant's evidence consists of the Affidavit of Jan Abigail L. Ponce, associate attorney of the law firm Federis & Associates Law Offices; the Special Power of Attorney issued by Respondent-Applicant in favor of the law firm Federis & Associates Law Offices; printout of Respondent-Applicant Amorepacific Corporation's webpage at <a href="https://www.amorepacific.com">www.amorepacific.com</a>; printouts of the electronic documents taken from

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Intellectual Property Office of the Philippines database (<a href="www.ipophil.gov.ph">www.ipophil.gov.ph</a>) showing the details of various trademark registrations containing the word CLEAR under third party registrants; print outs of the electronic documents taken from the United States Patent and Trademark Office database (<a href="www.uspto.gov">www.uspto.gov</a>) showing the details of trademark registrations containing the word CLEAR under third party registrants; printouts of Respondent-Applicant's trademark registrations in Japan, Hong Kong and Republic of South Korea.<sup>5</sup>

On 22 October 2012, the Preliminary Conference was terminated and the parties were directed to file their respective position papers. Thereafter, the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark TEEN: CLEAR AND DEVICE?

Sec. 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

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- (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;"

Records show that at the time the Respondent-Applicant filed its trademark application on 18 May 2011, the Opposer has existing trademark registrations for the marks CLEAR, CLEAR ICE COOL, CLEAR (STYLIZED) (LABEL), CLEAR TECHNOLOGY CENTER (STYLISED) & DEVICE, CLEAR SOLUTIONS, CLEAR PARIS INSTITUTE (STYLIZED) & DEVICE, CLEAR BALANCE and CLEAR SOLUTIONS SWIRL WITH CROSS DEVICE under Reg. Nos. 4-2005-000695, 4-2005-012299, 4-2006-011943, 4-2006-011130, 4-2006-012876, 4-2010-007724, 4-2010-013453 and 4-2011-007125 issued on 21 May 2007, 6 August 2007, 29 October 2007, 14 April 2008, 15 September 2008, 15 July 2010, 10 December 2010 and 17 June 2011 respectively. These registrations cover goods under Class 03. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. essential oils for cake flavorings; color brightening chemicals for household laundry purposes; laundry starch; cosmetics; skin lotions; lipsticks; cosmetic preparations for skin care; perfumery; beauty masks; cleaning preparations; hair shampoos; dentifrices; boot creams; furniture polish;

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<sup>&</sup>lt;sup>5</sup>Marked as Exhibits "1" to "6", inclusive.

abrasive preparations under Class 03, are similar and/or closely-related to the Opposer's.

The marks are shown below:

CLEAR



Opposer's trademark

Respondent-Applicant's mark

This Bureau finds that confusion or deception is unlikely to occur at this instance. Although the contending marks have the same word CLEAR, the visual and aural properties in respect of the Respondent-Applicant's mark has rendered said mark a character that is distinct from the Opposer's. The use of the word CLEAR do not create for or confer upon Opposer the right to exclusively appropriate the word. No one has exclusive use to it. The use of the word CLEAR may constitute a valid trademark particularly in combination with another word and/or logo, and for as long as it can individualize the goods of a trader from the goods of its competitors, as it was in this case. Respondent-Applicant's TEEN: CLEAR AND DEVICE mark is accompanied by a logo of a blue colored drop of water which contains the words "TEEN:" and "CLEAR" in the middle of the device.

Moreover, in the Trademark Registry, the contents of which the Bureau can take cognizance of via judicial notice, there are several trademarks carrying the word CLEAR, printed and stylized in different ways that are registered under Class 03, such as VITA CLEAR (Reg. No. 41999006621), VISIBLY CLEAR (Reg. No. 42003009690), NATURAL CLEAR (Reg. No. 42007009786), EASY CLEAR (Reg. No. 42002002690), NEU CLEAR (Reg. No. 42002006783), which are owned by entities other than the Opposer.

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

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sale of an inferior and different article as his product.<sup>6</sup> This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2011-005726 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 1 4 JUL 2016

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

<sup>&</sup>lt;sup>6</sup> Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.