

SWATCH AG (SWATCHY SA) (SWATCH LTD.),

Opposer,

-versus-

STRAPLAND PHILIPPINES INC.,

Respondent-Applicant.

X-----X

IPC No. 14-2012-00570

Opposition to:

Appln. Serial No. 4-2012-501080

Date Filed: 02 May 2012

TM: I-WATCH AND DEVICE

NOTICE OF DECISION

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STRAPLAND PHILIPPINES INC.

Respondent- Applicant

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San Miguel Avenue corner Shaw Blvd.,
Pasig City

GREETINGS:

Please be informed that Decision No. 2016 - 423 dated 24 November 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 24 November 2016.

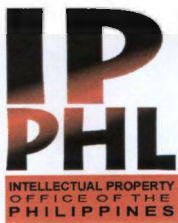
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Bureau of Legal Affairs

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IPC No. 14-2012-00570
Opposition to:

Appln. No. 4-2012-501080
Date Filed: 02 May 2012
Trademark: "I-WATCH AND DEVICE"

Decision No. 2016 - 423

DECISION

SWATCH AG (SWATCH SA) (SWATCH LTD.) ("Opposer"),¹ filed an opposition to Trademark Application Serial No. 4-2012-501080. The application, filed by STRAPLAND PHILIPPINES, INC. ("Respondent-Applicant")², covers the mark "I-WATCH AND DEVICE" for use on goods under classes³ 09: *batteries*; and, 14: *watch straps*.

The Opposer alleges that it is the owner of and has exclusive rights over the SWATCH trademarks, which are registered with the Philippine Intellectual Property Office in connection with goods in Classes 9 and 14, among others. Respondent-Applicant's mark I-WATCH AND DEVICE is confusingly similar to Opposer's registered SWATCH trademarks as to be likely to deceive or cause confusion in the minds of the relevant sector of the purchasing public. Further, the goods for which Respondent-Applicant's mark is sought to be registered, i.e. 'batteries' in Class 9 and 'watch straps' in Class 14, are similar and related to the goods under which Opposer's SWATCH trademarks are registered, i.e. 'watches, parts and accessories thereof, etc.' in Class 14. Both sets of goods are horological goods and are used in the same industry, i.e. watchmaking, and are therefore found in the same channels of business and trade. Thus, pursuant to Section 123.1 (d) of the IP Code, the Respondent-Applicant's mark must therefore be denied registration. According to the Opposer, it has not consented to Respondent-Applicant's use and registration of the mark I-WATCH AND DEVICE or any other mark confusingly similar to Opposer's SWATCH trademarks, hence, Opposer has the right to prevent the use and registration of Respondent-Applicant's mark., being the registered and rightful owner of the SWATCH trademark.

The Opposer further alleged that the SWATCH trademarks are internationally well-known and world-famous. Hence, the registration of Respondent-Applicant's confusingly similar mark I-WATCH AND DEVICE will also violate Articles 6bis and 10bis of the Paris Convention in conjunction with Sections 3, 123.1 (e) and 123.1 (f) of the IP Code. The SWATCH trademarks have been registered and/or applied for registration by Opposer in various trademark registries worldwide. Products bearing the famous SWATCH trademarks were first launched in Zurich, Switzerland on 01 March 1983. These

¹ A corporation organized under the laws of Switzerland, with principal place of business at Jakob-Stämpfli-Strasse 94, 2502 Biel/Bienne, Switzerland.
² With registered address at 1708 One San Miguel Bldg. San Miguel Ave. cor. Shaw Blvd. Pasig City, Philippines.
³ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

products are currently distributed and sold in many countries around the world through the Swatch Group subsidiaries and local distributors.

Moreover, the Opposer showed the extensive promotion of its products bearing the SWATCH trademarks worldwide. Since their launch, these products have gained significant exposure in various media, including television commercials, advertisements, internationally well-known print publications, the internet, and other promotional events. Through long, continuous and extensive use, promotion and advertising of the SWATCH trademarks, the same have become so popular throughout the Philippines and around the world such that a mere mention of or a mere look at the word SWATCH would immediately cause the purchasing public to associate said word with Opposer and its products. Thus, Respondent-Applicant's dominant use of the word I-WATCH would cause purchasers to believe that the goods it is offering are associated with, produced by, emanate from, or are under the sponsorship of Opposer.

The Opposer's evidence consists of the following:

1. Original notarized Verified Notice of Opposition;
2. Certificate and Special Power of Attorney executed by Hanspeter Rentsch and Laurent Potylo;
3. Affidavit executed by Reto Stöckly, Chief Operation Officer/Vice President Finance of Opposer;
4. List and representative sample of Certificates of Registration for the SWATCH trademarks worldwide - collectively;
5. Trademark Registration No. 4-1995-102837 issued by the Philippine Intellectual Property Office on 13 December 1999 for SWATCH IRONY in Class 14;
6. Trademark Registration No. 4-2011-008810 issued by the Philippine Intellectual Property Office on 24 November 2011 for SWATCH in Class 14; and,
7. Trademark Registration No. 4-2011-009099 issued by the Philippine Intellectual Property Office on 24 November 2011 for SWATCH in Classes 9, 16, 18, 25 and 28.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 121 March 2013. Respondent-Applicant however, did not file an answer. Thus, in Order No. 2013-1065 dated 24 July 2013, Respondent-Applicant is declared in default and this case is deemed submitted for decision.

Should the Respondent-Applicant be allowed to register the trademark I-WATCH?

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 out into the market a superior 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

Records show that at the time the Respondent-Applicant applied for registration of the mark "I-WATCH AND DEVICE", the Opposer already registered the mark SWATCH under Registration Nos. 4-2011-008810 and 4-2011-009099 both dated 24 November 2011. The goods covered by the Opposer's trademark registration are under Classes 14; and 9, 16, 18, 25 and 28, respectively.⁵ Opposer has also registration for the mark SWATCH IRONY under Registration No. 4-1995-102837 dated 13 December

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

⁵ Exhibits "E" and "F" of Opposer.

1999 for watches and their parts.⁶ Clearly, the goods covered by Opposer's SWATCH marks are deemed similar and/or related as to those falling under Classes 09 and 14 of Respondent-Applicant's I-WATCH mark.

The competing marks are reproduced below:

SWATCH



SWATCH IRONY

Opposer's mark

Respondent-Applicant's mark

It appears that Opposer's marks **SWATCH** and **SWATCH IRONY**; and, Respondent-Applicant's **I-WATCH** contain the word WATCH. However, it is not sufficient to conclude that confusion among the consumers is likely to occur. The word "WATCH" is a generic term for the subject products/goods which are time pieces used to measure time. It is also a descriptive term for products which are components and parts of a watch, or its accessories. In *Societe Des Produits Nestle v. Court of Appeals and CFC Corporation*⁷, the Supreme Court elaborates on the definition of generic and descriptive terms, to wit:

Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product," and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.

Clearly, the word "watch" conveys the nature of the parties' products and one cannot gain exclusive right to appropriate such term given that their products are watch or time pieces, its parts and components and its accessories. The subject of scrutiny would have to be confined in the beginning letter "S" in the Opposer's mark SWATCH; as against Respondent-Applicant's letter "I" and hyphen (-), and joined by the word WATCH, all of which are enclosed in a yellow oval form. To the eyes, there are

⁶ Exhibit "D" of Opposer.

⁷ G.R. No. 112012, 4 April 2001

⁷ <http://www.merriam-webster.com/dictionary/my>

Just

striking differences between the competing marks. The sounds produced when the marks are spoken also generate remarkable resonance or thud, one being pronounced with a consonant, while the other is a vowel.

The Opposer also alleges that its mark is well-known and famous. Having said that, compared to the Respondent-Applicant's mark "I-WATCH" marketed as "local Pinoy battery and watch straps", there is still no likelihood of confusion of business. It is improbable for one who is buying or using "I-WATCH" products to be reminded of the mark "SWATCH". The buying public should be credited with a modicum of intelligence and discernment in purchasing articles, such as watches and related products. Watches or similar accessories are such kind of consumer goods where brand patronage or consciousness is concededly prevalent. Corollarily, the fame and popularity of SWATCH in fact makes it improbable for one to confuse I-WATCH product as an SWATCH.

In *Emerald Garment Manufacturing Corporation v. Court of Appeals*⁸, the Supreme Court held:

Finally, in line with the foregoing discussions, more credit should be given to the "ordinary purchaser." Cast in this particular controversy, the ordinary purchaser is not the "completely unwary consumer" but is the "ordinarily intelligent buyer" considering the type of product involved.

The definition laid down in *Dy Buncio v. Tan Tiao Bok*³⁵ is better suited to the present case. There, the "ordinary purchaser" was defined as one "accustomed to buy, and therefore to some extent familiar with, the goods in question. The test of fraudulent simulation is to be found in the likelihood of the deception of some persons in some measure acquainted with an established design and desirous of purchasing the commodity with which that design has been associated. The test is not found in the deception, or the possibility of deception, of the person who knows nothing about the design which has been counterfeited, and who must be indifferent between that and the other. The simulation, in order to be objectionable, must be such as appears likely to mislead the ordinary intelligent buyer who has a need to supply and is familiar with the article that he seeks to purchase.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-501080 is hereby **DISMISSED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. 24 NOV 2016



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

⁸ G.R. 100098, 29 December 1995