

APPLE, INC.,
Opposer,

-versus-

HILDEBRAND A. BARCARSE,
Respondent-Applicant.

X-----X

IPC No. 14-2011-00306

Opposition to:

Appln. Serial No. 4-2011-002680

Date Filed: 10 March 2011

TM: BIG APPLE & DESIGN

NOTICE OF DECISION

QUISUMBING TORRES

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HILDEBRAND A. BARCARSE

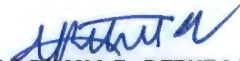
Respondent- Applicant
No. 30 Apollo Street, St. Michael Homes,
Lias, Marilao, Bulacan

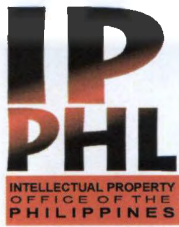
GREETINGS:

Please be informed that Decision No. 2017 - 54 dated 24 February 2017 (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 February 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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Opposer,	}	Opposition to:
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-versus-	}	Appln. Serial No. 4-2011-002680
	}	Date Issued: 10 March 2011
	}	TM: BIG APPLE & DESIGN
HILDEBRAND A. BARCARSE,	}	
Respondent-Applicant.	}	
x-----x	x	Decision No. 2017- <u>54</u>

DECISION

APPLE, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-002680. The application, filed by HILDEBRAND A. BARCASE² ("Respondent-Applicant"), covers the mark "BIG APPLE" for use on "bags" under Class 18 of the International Classification of Goods.³

The Opposer alleges, among others, the following:

"a. The Opposer is the prior user and first registrant of the APPLE Trademarks in the Philippines, well before the filing date of Respondent's BIG APPLE & DESIGN trademark, which was only filed on 10 March 2011. The registration details of the various APPLE Trademarks held by Opposer are as follows:

xxx

On the other hand, Opposer is also the owner of the following trademark, which has been applied for registration with the Honorable Office for services under Class 35:

xxx

The Opposer has also registered the APPLE Trademarks in other countries. Opposer continues to use the APPLE Trademarks in the Philippines and throughout the world.

"b. As registered owner of the APPLE 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

¹ A foreign corporation organized and existing under the laws of California U.S.A. with address at 1 Infinite Loop, Cupertino, California 95014, U.S.A.

² A Filipino citizen with address at #30 Apollo Street, St. Michael Homes, Lias, Marilao.

³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

confusion..

"c. The Respondent-Applicant's BIG APPLE & DESIGN mark is confusingly similar, if not identical, to the Opposer's APPLE Trademarks, and thus runs contrary to Section 123 of the IP Code. Section 123 (d), (e), (f) and (g) of the IP Code provide:

xxx

Respondent's BIG APPLE & DESIGN mark appropriates the vital elements of Opposer's APPLE Trademarks that would support a finding of sufficient similarity, if not identity, between the competing marks in terms of spelling, pronunciation and appearance. It must be noted that Respondent's BIG APPLE & DESIGN mark completely appropriates Opposer's well-known and registered APPLE word mark. xxx

xxx

It must also be noted that a number of Opposer's APPLE Trademarks are word marks, which, as the Honorable Office will note, does not bear or claim to have any distinctive feature, stylized depiction of the mark nor a claim of color, thus, affording a registrant thereof the broadest amount of protection under the IP Code. A word mark may be protected against infringers who colorably imitate substantial components of the mark, no matter how the infringing mark is depicted. Hence, the mere fact that that Opposer's APPLE word mark is depicted in upper case letters does not *ipso facto* mean that Opposer's right to exclusive use is only limited thereto. Therefore, in the event that Opposer decides to cast its APPLE Trademarks in lower case in the future, with more reason would the questioned mark be regarded as confusingly similar to, if not identical with, Opposer's mark.

Based on the foregoing, it is clear that Respondent's mark closely resembles the registered APPLE Trademarks, insofar as it incorporates (1) the word "apple"; and (2) a detached leaf over the letter "a". The combination of the foregoing elements shows that Respondent's trademark application cuts too closely to the APPLE Trademarks, particularly as Respondent is in the business of manufacturing, marketing, selling and distributing computer bags.

As the Honorable Office will note, Opposer is one of the world's leading manufacturers and designers of personal computers, computer software and consumer electronic products. Hence, the registration of the Respondent's BIG APPLE & DESIGN mark in connection with services under Class 18 will confuse consumers into believing that BIG APPLE & DESIGN originates from Opposer or is otherwise sponsored by or associated with Opposer. All told, there appears to be a studied attempt to copy Opposer's well-known APPLE Trademarks, and ride on the goodwill it has created through 34 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 APPLE Trademarks, as well as Opposer own business reputation.

"d. The competing marks, when read aloud, constitute *idem sonans* to a striking degree, which alone constitutes sufficient ground for the Honorable Office to rule that the marks are confusingly similar, more so as the marks involve the same class of goods.

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

xxx

As such, Opposer is entitled to a wider scope of protection under Philippine law and to protect its APPLE 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.

xxx

"f. If allowed to proceed to registration, the consequent use of the BIG APPLE & DESIGN mark by Respondent will amount to unfair competition with the dilution of Opposer's APPLE 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 Philippines law, and a violation thereof amounts to downright unfair competition proscribed under Article 6bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code.

xxx

"g. The registration of Respondent's mark will work to impede the natural expansion of Opposer's use of its APPLE Trademarks in the Philippines.

"h. The registration and consequent use of the BIG APPLE & DESIGN mark by the Respondent will result in a confusion of source or reputation, which is proscribed under the IP Code and applicable precedents; and

"i. Other provisions of the IP Code and related international agreements or conventions on the subject of intellectual property rights warrant the denial by this Honorable Office of Respondent's trademark application."

Opposer's evidence consists of the following:

1. Original notarized and legalized Affidavit of Thomas R. La Perle;
2. Certificate and Power of Attorney
3. Listing of representative samples of Opposer's trademark registrations for the APPLE Logo in many jurisdictions;

4. Listing of representative samples of Opposer's trademark registrations for the APPLE word mark in many jurisdictions;
5. Copy of Opposer's external use policy, published under the title "Guidelines for Using Apple Trademarks and Copyrights";
6. Copies of materials featuring the APPLE trademarks in connection with Mac OS products ;
7. Screen shot of the homepage of the iTunes Store service website in the Philippines;
8. Screenshots of the Apple Store service website for the UK, France, Japan, Philippines and United Kingdom;
9. List of Apple Retail store located worldwide;
10. Collection of images illustrating the use of the Opposer's APPLE trademarks in connection with Apple Retail Stores;
11. Representative sample of print and outdoor advertisements of Opposer in Asia-Pacific Region;
12. Copy of the article entitled " Apple Tops in Consumer Satisfaction" obtained from PC Word website www.pcworld.com dated 24 August 2004 and the article "Apple: It's All About Brand" from Wired magazine's website www.wired.com dated 4 December 2002;
13. Copy of the article "The World's Most Innovative Companies" dated 24 April 2006 from the Business Week Magazine;
14. Copies of Millward Brown Optimor's ranking from 2006-2014;
15. Copies of brandchannel.com 2008 and 2009 Brandjunkie Survey Result and Brandchannel Reader's Choice Awards for 2001-2006;
16. Photocopy of Fortune Magazine's Most Admired Company rankings for 2006-2014;
17. Copy of decisions from other countries acknowledging the fame and recognition of APPLE and APPLE & Logo marks;
18. Photocopy of Fortune Magazine's Most Admired Company rankings for 2006-2014;
19. Copy of the relevant pages from Opposer's 2010 Annual Report filed in the U.S. Securities and Exchange Commission;
20. Representative samples of Opposer's advertisement in the Philippines;
21. Photocopy of Decision No. 2008-161 dated 3 October 2008 and Resolution No. 2009-30 dated 28 May 2009 in *Apple, Inc. v. Herbanext, Inc.* docketed as IPC No. 14-2007-00193;
22. Photocopy of BLA's decision in IPC No. 14-2011-00275 entitled *Apple, Inc. v. Aris Miranda*;
23. Photocopies of the relevant pages of Apple's Annual Report from 2008-2014 filed with the US Securities and Exchange Commission;
24. Pictures of stores and signages depicting the APPLE name and marks in the Philippines; and
25. Affidavit of Angela Pia B. Alvendia.

This Bureau issued on 26 September 2011 a Notice to Answer and served a copy thereof to the Respondent-Applicant on 04 October 2011. Despite receipt of the notice, Respondent-Applicant failed to file the answer. On 17 January 2017, this Bureau issued an order declaring Respondent-Applicant in default. Hence, the case is now deemed submitted for resolution.

Should Respondent-Applicant's mark "BIG APPLE & DESIGN" be allowed registration?

Opposer anchors its opposition on Section 123.1 (d), (e) and (f) of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", as amended, which provides:

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

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
- iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;

x x x

(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.

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, or resembles a well-known mark, said mark cannot be registered.

Records will show that at the time Respondent-Applicant applied for registration of its mark BIG APPLE & DESIGN on 10 March 2011, Opposer already has an existing registration for its mark APPLE issued way back in 4 September 1991 under Class 16. Thereafter, the APPLE trademark has also been registered by Opposer for other goods or services belonging to Classes 9, 38 and 42. Opposer also registered the APPLE device mark in various classes. As such, pursuant to Section 138 of the IP Code, being a holder of a certificate of registration, such

"certificate of registration is a prima facie evidence of the registrant's ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto."

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

The marks of the parties are herein reproduced for comparison:



bigapple

Respondent-Applicant's Mark

The main feature of Opposer's mark is the word APPLE which is the mark itself. Other variants of its APPLE Trademarks are the Apple Device; and the word APPLE in combination with other words or letters. On the other hand, Respondent-Applicant's mark consists of the stylized the words "big" and "apple" joined together to form a single word, written in lower case century gothic fonts with the letter "a" having a figure design on top. While differences can be observed between the competing marks, these differences however, pales into insignificance because of the presence of the word APPLE in both marks. Moreover, as correctly pointed out by Opposer, there is an attempt to imitate its mark when Respondent-Applicant also adopted the "stalk" or "leaf" in Opposer's APPLE device mark and placed it on top of the letter "a" in the word apple in his own mark. Thus, the addition of the word "big" before the word "apple" does not deviate it from a finding of confusing similarity.

Indeed, 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 other⁴. 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

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

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several loops and a long tail.

ordinary course of purchasing the genuine article⁵.

The determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁶ The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:⁷

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.

Indeed, the similarity of the marks of Opposer and Respondent-Applicant is such that the public will likely be deceived or confused into believing that Respondent-Applicant's goods originate from Opposer; or that there is a connection between them, when in actuality there is none. Here, while the goods of the parties are different, it can be readily assumed that Respondent-Applicant's bags have originated or sourced from Opposer or that it was sponsored by Opposer since it has ventured into related products such as the iPad cases.

Consequently, if Respondent-Applicant's mark will be allowed registration, it may result in trademark dilution. According to the Supreme Court in *Levi Strauss & Co., vs. Clinton Apparelle*⁸:

"Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of the famous mark is entitled to an injunction "against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." This is intended to protect famous marks from subsequent uses that blur distinctiveness of the mark or tarnish or disparage it."

Thus, having been declared as a well-known mark, Opposer's APPLE marks are is entitled to protection against trademark dilution.

⁵ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

⁶ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

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

⁸ G.R. No. 138900, 20 September 2005

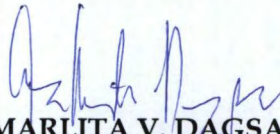
Prescinding from the above-findings of this Bureau that the marks of the parties are confusingly similar and in accordance with the declaration that Opposer's APPLE and APPLE Device mark is an internationally well-known mark, the registration of Respondent-Applicant's mark is proscribed under Section 123.1 (d), (e) and (f) of the IP Code.

The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut, which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same – to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.⁹

WHEREFORE, premises considered, the instant Opposition is hereby *SUSTAINED*. Let the filewrapper of Trademark Reg. No. 4-2011-002680 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 24 FEB 2017.


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

⁹ *Societe Des Produits Nestle, Et. Al. vs. Court of Appeals. G.R. No. 112012. April 4, 2001*