

ASB DEVELOPMENT CORP.,
Opposer,
- versus -

IPC 14-2006-00098

THE SHANG GRAND TOWER CORPORATION
Respondent-Applicant.

Opposition to:
TM Application No. 4-2005-001654
(Filing Date: 18 February 2005)

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TM: "THE SAINT FRANCIS TOWERS"

Decision No. 2007-37

DECISION

For consideration before this Bureau is the opposition to the registration of the mark "THE SAINT FRANCIS TOWERS" bearing application Serial No. 4-2005-001654 filed on February 18, 2005 for services in the construction of permanent buildings or structures for residential office purposes under class 37 of the International Classification of goods and other falling under classes 16, 24, 27, 35 and 43, which application was published for opposition in the Trademark Electronic Gazette of the Intellectual Property Philippines (IPP) and officially released for circulation on March 28, 2006.

The Opposer in the instant case is "ASB DEVELOPMENT CORPORATION" a corporation duly organized and existing under the laws of the Philippines with office address at the 4th Floor, St. Francis Square, Bank Drive corner Dona Julia Vargas Avenue, Mandaluyong City.

On the other hand, the Respondent-Applicant is "THE SHANG GRAND TOWER CORPORATION", a domestic corporation that was organized and existing under Philippine law, with principal office located at the 5th Level, Shangri-La Plaza Mall EDSA corner Shaw Boulevard, Mandaluyong City.

The grounds relied upon by the Opposer are as follows:

- "A. The trademark "ST. FRANCIS TOWERS" cannot be used and registered by applicant in its name as the same would be violative of Section 168 (Unfair Competition) of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines.
- "B. The trademark "ST. FRANCIS TOWERS" cannot be used or registered by applicant in its name as the same would be violative of Section 162 (False and Fraudulent Declaration) of Republic Act No. 8293.
- "C. The trademark "ST. FRANCIS TOWERS" cannot be used or registered by applicant in its name as the same would be violating of Section 123 (Registrability) of Republic Act No. 8293.
- "D. The trademark "ST. FRANCIS TOWERS" cannot be used or registered by applicant in its name as the same would be in direct violation of Rule 103 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers.
- "E. The trademark "ST. FRANCIS TOWERS" cannot be used or registered by applicant in its name as the same would be contrary to the provisions of Article 19-21 of the Civil Code.

Opposer submitted its documentary evidence consisting of the following:

1. Affidavit of its witness "Mr. Luke Roxas".
2. Annexes "A" to "J" inclusive of sub-markings.

"A" to "A-4"	Provisional Receipt No. 12282 dated July 10, 2001 to Friends at the Square; Provisional Receipt No. 11933 dated January 7, 2002 issued to Flowers by Sylvia; Provisional Receipt No. 1506 dated March 7, 2003 issued to BPI Family Bank; Provisional Receipt No. 1408 dated 10 June 200 to Ten Years After; Provisional Receipt No. 12451 dated 27 September 2000 issued to Mario's Restaurant, Ortigas.
"B" to "B-15"	Contract of Lease between ASB Development Corporation and Red Kettle Company Inc., Contract of Lease between ASB Development Corporation and A La Carte Food Corporation; Contract of Lease between ASB Development Corporation and MTR Restaurant Group, Inc., Contract of Lease between ASB Development Corporation and Seven Pro Ventures, Inc., Agreement between ASB Development Corporation and Seven Pro Ventures, Inc.; Agreement between ASB Development Corporation and Seven Pro Ventures, Inc.; Electrical Permit and Electrical Inspection Fee issued by the City of Mandaluyong to ASB Realty Corp., dated March 3, 1996; Mayors Permit No. 008665 issued by the City of Mandaluyong to St. Francis Square Comm'l. dated 27 October 1994; Mayor's Permit No. 00006464, issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 24 January 1995; Mayor's Permit No. 000705 issued by the City of Mandaluyong to St. Francis Square Commercial dated 08 January 1996; Mayor's Permit No. 002437 issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 15 January 1997; Mayor's Permit No. 0004738 issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 18 January 1998; Mayor's Permit No. 009241 issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 25 March 2002; Mayor's Permit No. 007709 issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 20 January 2005; Mayor's Permit No. 005878 issued by the City of Mandaluyong to St. Francis Square Comm'l., dated 20 January 2006; Barangay Business Location Permit issued by Barangay No. 27 Wack-Wack, Mandaluyong, to St. Francis Square Commercial Center Association date 08 January 1996; Brochure of St. Francis Square Towers by ASB Development Corp.
"C" to "C-4"	Copy of TSN dated 16 December 2005 (covering page and pages 29, 22 and 31).
"D"	SEC Certificate of Filing of Amended Articles of Incorporation of "The Shang Grand Tower" Corporation, Inc., dated 16 October 2003.
"E"	SEC Certificate of Incorporation and by-laws of the "St. Francis Square" Commercial Center Association (Phase 1), Inc., dated 01 July 1992.
"F" to "F-1"	ASB Group of Companies Rehabilitation Plan, submitted to SEC.
"G" to "G-5"	Department of Trade and Industry Business Name Registration for the following "St. Francis Tower" dated 13 July 2005; "St. Francis Square Twin Towers", dated 21 July 2005; "St. Francis Square Place" dated 21 July 2005; "St. Francis Square Plaza" dated 21 July 2005; "St. Francis Square Residences" 21 July 2005 all under the name of ASB Development Corporation.

"H" to "H-1"	Demand Letter address to the president of The Shang Grand Tower Corp., dated 12 November 2005; Demand Letter address to the President EDSA Plaza Holdings, Inc., dated 12 November 2005.
"I-1" to "I-4"	Affidavit of Yael Torres; Affidavit of Badette Negado; Affidavit of Engineer Dennis Lumboy; Affidavit of Rolando P. Domingo.
"J" to "J-11"	Transcript of Stenographic Notes (TSN) dated January 27, 2007 (covering page, pages 2, 3, 4, 19, 20, 21, 30, 31, 38, 41 and 42).

On October 11, 2006, Respondent-Applicant filed its Answer whereby it denied some of the allegations in the verified opposition and admitted some and submitted Exhibits "1" to "10", inclusive of sub-markings as its documentary evidence in compliance to Office Order No. 79, Series of 2005, consisting of the following:

Exhibit "1" to "1-h"	Affidavit of Sandra Garcia; Communication Through e-mails between Ms. Sandra Garcia and Ms. Bella.
Exhibit "2"	HLURB Certification
Exhibited "3" to "3-B"	Affidavit of Eden C. Lin
Exhibit "4" to "4-k"	Transcript of Stenographic Notes (TSN) dated December 16, 2005 (covering page, pages 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 and 34)
Exhibit "5" to "5-g"	Transcript of Stenographic Notes (TSN) dated January 27, 2007 (covering page, pages 36, 37, 38, 39, 40, 41, 42 and 43)
Exhibit "6" to "6-b"	Affidavit of General Financial Condition.
Exhibit "7"	Affidavit of Jose V. Asuncion, Jr.
Exhibit "8"	HLURB Development Permit Granted dated 03 March 2005
Exhibit "9"	HLURB Certificate of Registration No. 11578 for "The St. Francis Towers" issued August 8, 2005
Exhibit "10"	HLURB License to Sell No. 13493 dated 20 October 2005.

The only issued to be resolved in this particular case is:

WHETHER OR NOT RESPONDENT/APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "THE ST. FRANCIS TOWERS."

The applicable provision of law is, Section 123 (d) of Republic Act No. 8293, which provides:

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

(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

- a. The same goods or services, or
- b. Closely related goods or services, or
- c. If it nearly resembles such a mark as to be likely to deceive or cause confusion;

The Respondent-Applicant's mark consists of the words "THE ST. FRANCIS TOWERS" and as indicated in the trademark application, the applicant disclaims the exclusive right to use the word "TOWERS" apart from the mark as shown.

As a result of the disclaimer, what remains to be sought to be registered is the words "THE ST. FRANCIS".

On the other hand, the Opposer's marks are the following:

1. ST. FRANCIS TOWER – Registered with the Department of Trade and Industry (DTI) on July 13, 2005 under Certificate of Registration No. 00180458 (Annex "G-1").
2. ST. FRANCIS TOWER – Registered with the Department of Trade and Industry (DTI) on July 21, 2005 under Certificate of Registration No. 00187285 (Annex "G-2").
3. ST. FRANCIS PLACE – Registered with the Department of Trade and Industry (DTI) on July 21, 2005 under Certificate of Registration No. 00187281 (Annex "G-3").
4. ST. FRANCIS PLAZA - Registered with the Department of Trade and Industry (DTI) on July 21, 2005 under Certificate of Registration No. 00187272 dated July 21, 2005 (Annex "G-4").
5. ST. FRANCIS SQUARE RESIDENCES – Registered with the Department of Trade and Industry (DTI) on July 21, 2005 under Certificate of Registration No. 00187262 dated July 21, 2005 (Annex "G-5").

In order to determine whether the two competing marks are identical or appears to be confusingly similar to each other it is necessary to consider their compositions are both are composite marks. Composite because each of them is compose of more than one word.

In Emerald Garment Manufacturing Corporation vs. Court of Appeals (251 SCRA 600) the Supreme Court ruled that:

"In the history of trademark cases in the Philippines, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set rules can be deduced. Each case must be decided on its own merits."

Likewise, in the case of Societe Des Produits Nestle, S.A. et. al. vs. Court or Appeals, et. Al., 356 SCRA 207, the Supreme Court reiterated that:

"The likelihood of confusion is a relative concept, to be determined only according to the particular and sometimes peculiar circumstances of each case. In trademark cases, even more than in any other litigation, precedent must be studied in light of the facts of the particular case. The wisdom of the likelihood of confusion test lies in its recognition that each trademark infringement case presents its own unique set of facts. Indeed, the complexities attendant to an accurate assessment constituting the relevant factual landscape be comprehensively examined."

In ascertaining whether one trademark is confusing similar to or is a colourable imitation of another, two kinds of test have been developed. The dominance test applied in *Asia Brewery, Inc., vs. Court of Appeals*, 224 SCRA 437; *Co Tiong vs. Director of Patents*, 95 Phil. 1; *Lim Hoa vs. Director of Patents*, 100 Phil. 214; *American Wire & cable Co., vs. Director of Patents*, 31 SCRA 544; *Philippine Nut Industry, Inc., vs. Standards Brands, Inc.*, 65 SCRA 575; *Converse Rubber Corporation vs. Universal Rubber Products Inc.*, 147 SCRA 164; and the holistic test developed in *Del Monte Corporation vs. Court of Appeals*, 181 SCRA 410; *Mead Johnson & Co.*,

vs. N.V.J. Van Dorp., Ltd., 7 SCRA 771; Bristol Myers Co., vs. Director of Patents, 17 SCRA 128; Fruit of the Looms vs. Court of Appeals, 133 SCRA 405.

As its title implies, the test of dominancy focuses on the similarity of the prevalent, essential or dominant features of the competing trademarks which might cause confusion or deception. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity.

The dominant feature of the Opposer's mark are the words "ST. FRANCIS" which are exactly the same words incorporated in the Respondent-Applicant's mark "THE ST. FRANCIS TOWERS", of which the word "TOWERS" was disclaimed. It cannot be denied that both of them have the same spelling and pronunciation.

Moreover, the Respondent-Applicant's services is the construction of permanent buildings or structures for residential offices purposes which is the same class of services engaged in by the Opposer, particularly in its real estate development project and likewise, for the construction of buildings/property development business.

Considering therefore, that the competing marks are the same in spelling and pronunciation and the goods covered by both are likewise the same, there exists confusing similarity between the competing marks. What remains to be resolved now is, who between the parties has a better right over the trademarks "ST. FRANCIS".

It has been argued by the Respondent-Applicant in its position paper that the term "ST. FRANCIS" by itself is incapable of exclusive appropriation by any one entity as said term may be considered as a "generic" term and is not afforded protection under the trademarks laws. This Bureau does not agree with Respondent-Applicant. The term "ST. FRANCIS" cannot be regarded as geographically descriptive.

Worthy to be emphasized is the claim of the Opposer that it has been using the term "ST. FRANCIS" in its real estate development projects for at least thirteen (13) years ahead of the Respondent-Applicant's filing of subject application for the registration of the mark "THE ST. FRANCIS TOWERS".

Under the old Trademark Law, Republic Act No. 166, the law in existence when the mark St. Francis Tower was first used by Opposer, Section 4 thereof specifically provides:

Section 4. Registration of trademarks, trade-names and service marks on the Principal Register. – x x x The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:

x x x

(e) Consists of a mark or trade name which applied to or used in connection with the goods, business or services of the applicant is merely descriptive or deceptively misdescriptive of them, or when applied to or used in connection with the goods, business or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them or is primarily a surname.

x x x

In other words, to be registrable, a mark should, among others, neither be primarily geographically descriptive nor should it be deceptively misdescriptive of the business or services on which it is applied or used.

To be regarded as a geographically descriptive term, a mark should indicate or suggest the place of origin of the goods. The term "ST.FRANCIS" does not indicate origin of Opposer's trade or goods. The term refers to a name of a Saint and is not descriptive of real estate development projects. Its use is arbitrary as it does not bear any direct relation to the characteristic of Opposer's real estate projects. It shows then, that the Opposer's mark "ST. FRANCIS" is not a geographically descriptive term and thus, may properly and legally be exclusively appropriated as a trademark or tradename, unless it is adopted in connection with a saint of any religious activity as it will bar others in the same faith or religion to use the same.

Evidence on records will show that the Opposer's mark has been registered with the Department of Trade and Industry (DTI) on July 13, 2005 under Certificate of Registration No. 00180458 (Annex "G-1") whereas, Respondent-Applicant's mark was registered with the Housing Land Use Regulatory Board (HLURB) on August 8, 2005 under Certificate No. 11573 (Exhibit "9"). The Department of Trade and Industry (DTI) certificate of registration was issued ahead of the Respondent-Applicant's mar registration issued by the Housing Land Use Regulatory Board (HLURB).

Another point to be noted is the fact that "ST. FRANCIS SQUARE COMMERCIAL CENTER ASSOCIATION (Phase 1), INC." has been registered with the Securities and Exchange Commission (SEC) under S.E.C. Registration No. AN092-02592 dated July 21, 1992 (Annex "E"). Opposer also presented receipts for the payment of association dues to various establishments (Annex "A" to "A-4") the earliest of which is dated June 10, 2000. It likewise presented various documents such as Mayor's Permit for St. Francis Square Commercial for the years, 1994, 1995, 1996, 1997, 1998, 200, 2005 and 2006. (Annexes "B-6" to "B-13"), Barangay Business Location Permit dated January 8, 1996 (Annex "B-14")

With the various evidences presented by the Opposer, it has shown its continuous use of the word "ST. FRANCIS" to identify its real estate projects which have gained goodwill and reputation, which is entitled to protection against the use by any other entity without its authorization for its has exclusively used the said mark for at least more than ten (10) years.

On the other hand, Respondent-Applicant's evidence indicate that its mark "The St. Francis Towers" was registered with the Housing and Land Use Regulatory Board (HLURB) on August 8, 2005 under Certificate of Registration No. 11573 (Exhibit "9").

It is a fundamental principle in the Philippine Trademark law that actual use in commerce in the Philippine is a pre-requisite to acquisition of ownership over a trademark or trade name. (Kabushiki Kaisha Isetan vs. Intermediate Appellate Court, et. al., G.R. No. 75420, November 5, 1991).

Likewise, the use required as a foundation of trademark rights refers to local use at home and not abroad (2 Callman, Unfair Competition and Trademarks, par; 76.4 p. 1006).

As early as in 1969, the Supreme Court has recognized the principle that actual use in commerce is a pre-requisite to the acquisition of right over a trademark. Thus, in the case of "Sterling Products Aktiengesellschaft vs. Allied Manufacturing and Trading Co., Inc., (G.R. No. L-19906, April 30, 1969) the Supreme Court has ruled that:

"A rule widely accepted a firmly entrenched because it has come down through the years is that actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership over a trademark."

Confusing similarity could have been avoided has Respondent-Applicant not used the term "St. Francis" as its mark which has long been appropriated and registered by the Opposer and is being continuously used by it.

In the case of (Philippine Nut Industry, Inc., vs. Standard Brands, Inc., 65 SCRA 575), the Supreme Court ruled that:

“There is infringement of trademarks when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity. Whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the “test of dominancy” meaning, if the competing trademarks contain the main or essential or dominant features of another by reason of which confusion or deception are likely to result, then infringement takes place; the duplication or imitation is not necessary, a similarity in the dominant features of the trademark would be sufficient.

Likewise, in connection with the use of confusingly similar or identical mark, our Supreme Court on several occasions ruled that:

“Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numeral, etc., as to justify one who really wishes to distinguish his products from those of all others entering the twilight zone of a field already appropriated by another”. (Weco Products Co., vs. Milton Ray Co., 143 F, 2d 985, 32 C.C.P.A. Patents 1214)

“Why of all the millions of terms and combinations of letters and designs available, the appellee had to choose so closely similar to another’s trademark if there was no intent to take advantage of the goodwill generated by the other mark.” (American Wire & Cable Co., vs. Director of Patents, SCRA 544)

WHEREFORE, viewed in the light of all the foregoing, this Bureau finds and so holds that Respondent-Applicant’s mark “THE ST. FRANCIS TOWERS” is confusingly similar to Opposer’s mark and as such, the Notice of Opposition is, as it is hereby, SUSTAINED. Consequently, trademark application bearing Serial No. 4-2005-001654 filed by The Shang Grand Tower Corporation on February 18, 2005 for the registration of the mark “THE ST. FRANCIS TOWERS” is hereby REJECTED.

Let the filewrapper of the trademark “THE ST. FRANCIS TOWERS” subject matter of this case together with a copy of this DECISION be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 28 March 2007.

Atty. ESTRELLITA BELTRAN ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office