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| AMELIA EXCONDE, |) | INTER PARTES CASE NO. 3353 |
| Opposer, |) | |
| |) | OPPOSITION TO: |
| |) | |
| |) | Application Serial No. 62888 |
| |) | Filed : October 6, 1987 |
| |) | Applicant : Alma G. Lanuza |
| |) | Trademark : GRACELINE |
| |) | Used on : Ladies underwear namely |
| - versus - |) | brassieres, bikini, |
| |) | girdle, chemise, full |
| |) | chemise, body girdle |
| |) | teddy (short nighties) |
| |) | swimsuit, ladies short |
| |) | |
| |) | <u>DECISION NO. 94-1 (TM)</u> |
| |) | |
| ALMA G. LANUZA, |) | January 10, 1994 |
| Respondent-Applicant. |) | |
| x-----x |) | |

DECISION

On March 29, 1989 Amelia J. Exconde, Filipino and a resident of 142 Talayan Street, Talayan Village, Quezon City filed her Verified Notice of Opposition against the application for registration of the mark "GRACELINE" for ladies underwear namely, brassieres, bikini, girdle, chemise, full chemise, body girdle, teddy (short nighties), swimsuit, ladies short, filed on October 6, 1987 under Serial No. 62888 in the name of ALMA G. LANUZA, which was published for opposition on page 28, Vol. II, No. 2 of the BPTTT Official Gazette.

Respondent-Applicant, ALMA G. LANUZA, is a Filipino with residence at 136 Bansalangin Street, Project 7, Quezon City, Metro Manila.

The grounds for the Opposition are as follows:

1. The registration of the trademark GRACE LINE in the name of the respondent-applicant will violate and contravene the provisions of Section 4(d) of Republic Act No. 166, as amended, because said mark is confusingly similar to the trademark LADY GRACE owned unabandoned by the Opposer, as to be likely, when applied to or used in connection with the IDENTICAL goods of the respondent-applicant to cause confusion or mistake or deceive the purchasers thereof as to come from the Opposer;
2. The registration of the trademark GRACE LINE in the name of the respondent-applicant will cause grave and irreparable injury and damage to the Opposer within the meaning of Section of Republic Act No. 66, as amended."

The Opposer will rely on the following facts to support her opposition:

1. The Opposer is the registered owner in the Philippines of the trademark LADY GRACE under the following trademark registrations, to wit:
 - a. Registration No. 24690, Class 40 (Int. Class 25) Issued May 9, 1977
 - b. Registration No. 2509 Class 40 (Int. Class 5) Issued July 8, 1976

2. The Opposer is the registered owner in the United States of the trademark LADY GRACE under Registration Certificate No. 1504912 registered September 20, 1988 under Class 25.

3. The Opposer is the Copyright owner of labels bearing the following labels with the following marks: GRACE, LOVELY GRACE, GRACEFORM, and GRACE LINE, all for garments.

4. That the Opposer has been using the trademark LADY GRACE since March 8, 1958 up to the present or long before applicant-respondent filed the instant application opposed to for registration. Hence, the Opposer is the first user of the dominant word GRACE for undergarments/brassieres, etc. under Class 25 in the Philippines.

5. The Opposer has built an immense and valuable goodwill for its trademark LADY GRACE due to its superior quality and has spent sums of money for advertising and popularizing the said trademark in brassieres and other undergarments, all bearing the LADY GRACE trademark and/or other copyrighted trademarks with the dominant word GRACE. Thus, purchasers of Opposer's products clearly associate the trademark "GRACE" with the products of the Opposer.

6. The Opposer opposes respondent-applicant's use and registration of the trademark GRACE LINE (which the Opposer had copyrighted since August 24, 1988) on the further ground that the respondent-applicant's goods are likely to cause confusion, mistake and deception to the buying public as to the origin of the goods and will definitely dilute the value of Opposer's trademark LADY GRACE because the marks of herein parties are confusingly similar and are used on Identical goods falling under the same classification of Class 25.

7. Furthermore, the use and registration of the mark GRACE LINE will cause grave and irreparable damage and injury to the Opposer within the meaning of Republic Act No. 166.

On May 11, 1989, Respondent-Applicant filed her Answer raising the following special/affirmative defenses:

"1. Respondent-Applicant repleads, reproduces and incorporates by way of reference all the material, pertinent and relevant allegations contained in the preceding paragraphs;

2. Respondent-Applicant adopted and started using, as it continues using subject mark, in good faith. As a matter of fact, the trademark officials of the BPTTT, after exhaustive examinations, found and concluded that eth respondent's mark is capable of distinguishing respondent's goods from those of others;

3. In the actual use of subject mark as well as in the promotion thereof, no attempts have been made to suggest that the goods upon which subject mark are being used come from Opposer or that respondent's business is related or connected with the business of the Opposer;

4. Knowing that respondent's application for the subject mark will be given due course by the BPTTT Opposer in bad faith hurriedly applied copyright registration of respondent's mark in August 1988 to the prejudice and damage of the respondent;

5. Opposer has no valid cause of action against the respondent and that the Notice of Opposition was filed purely for the purpose of harassment and to delay the registration of respondent's trademark.

No amicable settlement having been reached, the case proceeded to trial on the merits. The parties presented and subsequently formally offered their respective testimonial and documentary evidence.

Should the trademark "GRACELINE" of Respondent-Applicant be denied registration for being contrary to the provisions of Sec. 4 (d) of R.A. No. 166 as amended? Said Section provides:

Sec. 4. Registration of trademarks, tradenames and service marks on the principal register. - There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. the owner of a trademark, tradename 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

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers".

As to the mark themselves, one of the applicable principles is that in determining confusing similarity the marks must be considered as a whole. This principle has been recognized and applied in the Philippines as early as the year 1966 when the Supreme Court enunciated in the case of ETEPHA vs. DIRECTOR OF PATENTS, et. al. (16 SCRA 499) that:

"A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of prospective buyer. The trademarks complained of should be compared and contrasted with the purchaser's memory (not in juxta position) of the trademarks said to be infringed (87 C.F.S. 288-291). Some such factors as SOUND, APPEARANCE, FORM, STYLE, SHAPE, SIZE OR FORMAT; color ideas connoted by the marks, the MEANING, SPELLING and Pronunciation of the words appear may be considered (87 C.F.S. 291292)

It must be pointed out that Respondent's trademark "GRACELINE" is a combined words "GRACE" and "LINE" whereas opposer's trademark refers to two separate words, "LADY" and "GRACE".

As to their meaning, the two competing marks are different from each other. Respondent's trademark contained the word "LINE" meaning a straight mark of little breadth, a string, cord or rope while the Opposer's mark on the other hand contained the word "LADY" which means a woman of good breadings or social function.

As to sound when the words "LINE" and "LADY" are pronounced, they are entirely distinct and different from each other. Hence, likelihood of confusion between the two marks is very unlikely because it is clearly and distinctly so dissimilar in sound.

Although a trademark should be considered in its entirety, however, at times the Bureau of Patents, Trademarks and Technology Transfer BPTTT may dissect the trademark because there is still a place for the argument that the similar feature of each mark will present any likelihood of confusion (Ex Parte Acme Industries, Inc. 109 USPQ 120).

The competing marks "GRACELINE" and "LADY GRACE" are distinct and different from each other both in SOUND, APPEARANCE, MEANING as well as in SPELLING.

Similarity or dissimilarity of trademarks is not limited to the ear or eye. The mental impact of the meaning of the marks may be so pervasive as to outweigh any usual or phonetic differences. The trademark "GRACELINE" of the Respondent-Applicant does not convey the same meaning with "LADY GRACE" to the purchasing public. Dissimilarity in meaning is a factor in reaching a conclusion that the marks are not confusingly similar.

WHEREFORE, the Opposition is DISMISSED. Application Serial No. 62888 for the trademark "GRACELINE" filed on October 6, 1987 is GIVEN DUE COURSE.

Let the records of this case be remanded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director