

BOTTGER GMBH PHARMAZEUTISCHE UND KOSMETISCHE PRAPARATE, <i>Opposer,</i>	}	Inter Partes Case No. 3947
	}	Opposition to:
	}	
-versus-	}	Application Serial No. 76221
	}	Date Filed: 05-29-91
	}	Trademark: "Sea Horse Balm"
	}	with Chinese characters and
	}	Seahorse within circle device
	}	
SEAHORSE PHARMACEUTICAL PRODUCTS (PTE), LTD., <i>Respondent-Applicant.</i>	}	
	}	
x-----x	}	

DECISION

Botgger Gmbh Pharmazeutische Und Kosmetische Preparare ("Opposer"), a corporation organized under the laws of Germany, commenced the instant opposition against the application for registration by Seahorse Pharmaceutical Products (Pte), LTD. ("Respondent"), a corporation organized under the laws of Singapore, of the mark "Seahorse Balm" with Chinese characters and seahorse device under Application Serial No. 76221 filed on May 29, 1991.

Opposer relied on the following grounds in its Opposition:

- "3. Opposer is the owner of the trademark SEAHORSE (DESIGN) which is registered in the Philippines under Certificate of Registration No. 41494, issued by the Bureau of Patents, Trademarks and Technology Transfer on October 17, 1988, for the goods "substances for body and cosmetic care, i.e., substances for care of the skin, ointments, soap, face packs, medical and cosmetic bath additives, and cosmetic bleaching agents," in classes 3 and 5. Said registration has not been abandoned. Furthermore, the trademark SEAHORSE (DESIGN) has been and continues to be used in various other countries including Germany;
- "4. Opposer believes and so alleges that it would be damaged by the registration by respondent-applicant.
- "5. Opposer's SEAHORSE (DESIGN) mark was registered in the Philippines, and registered and used in other parts of the world, long before respondent-applicant's adoption and use of the mark SEAHORSE BALM AND DEVICE;
- "6. Opposer has by long, continuous, and extensive use of its mark SEAHORSE (DESIGN) worldwide, and by its marketing and promotional efforts, caused said SEAHORSE (DESIGN) mark to become internationally well-known and acquire distinctiveness, strength, quality, reputation and goodwill and the public has come to associate goods bearing the SEAHORSE (DESIGN) mark with Opposer or as originating from Opposer;
- "7. Respondent-applicant's use of the mark SEAHORSE BALM AND DEVICE has damaged Opposer and its registration would further damage Opposer, considering, among others, the following:
 - a) The mark SEAHORSE BALM AND DEVICE is an imitation of, and confusingly similar to Opposer's mark SEAHORSE (DESIGN) so as to be likely to cause confusion or mistake on the part of the

public, to Opposer's and to the public's prejudice; the public would likely be deceived into believing that the goods they are buying are those of Opposer or under Opposer's sponsorship;

- b) The mark SEAHORSE (DESIGN) and the mark SEAHORSE BALM AND DEVICE are furthermore used to identify goods of the same class, sold to the same man-in-the-street purchasers through the same channels of trade, by corporations engaged in competitive businesses; therefore, the likelihood of confusion is proportionately increased;
- c) The use and/or registration by respondent-applicant of the mark SEAHORSE BALM AND DEVICE would diminish the distinctiveness and/or dilute the goodwill of Opposer's mark SEAHORSE (DESIGN);
- d) The registration of SEAHORSE BALM AND DEVICE by respondent-applicant would, because of the facts and circumstances stated, violate Republic Act No. 166, as amended, as well as the Paris Convention of which Convention both the Philippines and Germany, Opposer's domicile, are member countries, committed to the Convention's enforcement.
- e) Respondent-applicant intends to trade, and is trading on the reputation and goodwill of Opposer and Opposer's mark SEAHORSE (DESIGN)."

In its Answer dated January 19, 1994, Respondent denied the material allegations of the Opposition, and interposed the following special and affirmative defenses:

- "2. The present opposition was filed out of time and should perforce be denied.
- "3. A side-by-side comparison of Opposer's and Respondent-Applicant's trademarks will readily show the differences in the general appearance and other features thereof belying Opposer's claim that Respondent-Applicant's trademark is an imitation of Opposer's trademark or that Respondent-Applicant is trading on the reputation and goodwill of Opposer and Opposer's mark SEAHORSE (DESIGN);
- "4. Respondent-Applicant's products are different from those of the Opposer as to the specific use, manner of manufacture as well as the general characteristics thereof such that the use of Respondent-Applicant's mark would not diminish the alleged distinctiveness and/or dilute the goodwill of Opposer's mark SEAHORSE (DESIGN), the truth being that Opposer's trademark is not in actual commercial use in the Philippines, or if ever, has not gained distinctiveness or goodwill in the local market. On the other hand Respondent-Applicant has popularized its products in the local market and its trademark has gained goodwill and general acceptance.
- "5. Respondent-Applicant application has been allowed by the Bureau of Patents, Trademarks and Technology Transfer over Opposer's existing registration after examination in the regular course which is an indication that both trademarks can co-exist without any possibility of confusion on the part of the buying public."

At the pre-trial conference, both parties failed to arrive at an amicable settlement, and the case went to trial on the merits.

Opposer presented Exhibits "A" to "Y" consisting of the following: affidavit-testimony of Wolfgang Botter (*Exh. "A"*); certificate of registration of Opposer (*Exh. "B"*); list of international distributors of Opposer (*Exh. "C"*); illustration of Opposer's SEAHORSE (DESIGN) (*Exh. "D"*); Certificate of Registration No. 41494 issued by the BPTTT (*Exh. "E"*); various registrations in different countries (*Exhs. "F" to "U"*); pricelist of Opposer's products (*Exh. "V"*); invoices (*Exh. "W"*); print advertisements (*Exh. "X"*); and Wolfgang Botter's answer to the cross-interrogatories (*Exh. "Y"*), which were admitted in evidence under Order No. 2000-18 dated January 4, 2000.

Respondent, on the other hand, was declared as having waived its right to present evidence under Order No. 2001-179 dated April 18, 2002 because of its repeated and unexplained failure to present evidence despite proper service of notices issued by this Office on June 21, 2001, Opposer filed its Memorandum, and the case was deemed submitted for decision.

The issues to be resolved in this case are as follows:

- 1) Whether or not respondent-applicant's trademark SEA HORSE BALM with Chinese Characters and Sea Horse Balm within a circle device is confusingly similar with Opposer's trademark SEAHORSE (Design).
- 2) Whether or not respondent is entitled to use and register the mark "Sea Horse Balm".

The Applicable law is Section 4(d) of republic Act No. 166, as amended which provides:

Sec.4. Registration of trademarks, trade names and service marks on the principal register. – There s hereby established a register of trademarks, trade names and service marks which shall be known as the principal register. The owner of a trademark, trade name or service mark used to distinguish his goods, business or services of other 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 trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name preciously 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 services of the applicant to cause confusion or mistake or deceive consumers."

Respondent's mark consists of the words "Seahorse Balm" together with Chinese characters and a representation of a seahorse within a circular device, for use on "balms for medical purposes, embrocation and medicated oil" under Class 5. In its application, Respondent claimed that it first used the mark in the Philippines on December 16, 1989. [*see file wrapper of Respondent's application*].

On the other hand, the mark of Opposer consists of a seahorse design under Registration No. 41949 issued on October 17, 1988, for use on "substances for body and cosmetic care, i.e., substances for care of the skin, ointment, soap, face packs, medical and cosmetic bath additives, and cosmetic bleaching agents", all falling in Classes 3 & 5. Opposer is deemed to have first used the mark in the Philippines on January 2, 1985 when its application

was filed under Sec. 37 of Rep. Act No. 166 (*Exh. "E"*), which date of first use precedes by more than six (6) years the date when Respondent filed its application on May 29, 1991.

A perusal of the two marks shows identity of the seahorse design – both marks show a pictographic illustration of a seahorse with its face and snout pointing to the right side of the figure, except that the tail of Opposer's seahorse curls up to the right, while the tail of Respondent's seahorse curls up backwards to the left. Also, the seahorse of Opposer does not contain any other device or word, while the seahorse of Respondent is inside a circular device beside the words "Seahorse Balm" together with Chinese characters, which, according to the translation submitted by Respondent in its application, means "seahorse, gold, and oil".

In determining whether the two marks are confusingly similar, jurisprudence has developed the dominancy test, which focuses on the similarity of the prevalent, essential or dominant features of the competing marks which might cause confusion. [*Emerald Garment Mfg. Corp. v. CA, 251 SCRA 600 (1995)*].

In *Co Tiong v. Director of Patents, 95 Phil. 1 (1954)*, the Supreme discussed how an ordinary purchaser behaves when he comes across products to buy, thus:

"[W]hen a person sees an object, a central or dominant idea or picture thereof is formed in his mind. This dominant picture or idea is retained in the mind, and the decorations or details are forgotten. He retains in his mind the dominant characteristics or features or central idea in the label, and forgets the other decorations, flourishes, or variations. The ordinary customer does not scrutinize the details of the label; he forgets or overlooks them, but retains a general impression or central figure or dominant characteristics. This rule has basis in experience. The average person usually will not, and often cannot, take in at a casual glance all or even a larger part of the details or which he looks at. He usually seeks a sign, some special, easily remembered earmarks of the brand he has in mind. It may be the color, sound, design, or peculiar shape or name. One his eyes see that or his ears hear it, he is satisfied. An unfair competitor need not copy the entire mark to accomplish his fraudulent purpose. It is enough if he takes the one feature which the average buyer is likely to remember. There may be infringement where the substantial and distinctive part of the mark is copied or imitated. Dissimilarity in size, form and color of label and the place where it is applied are not conclusive against infringement. The resemblances may so far dominate the differences that are likely to deceive the ordinary purchasers." (emphasis supplied)

In this case, we find that the dominant portion of Respondent's mark is the seahorse design, rather than the words and characters placed beside it. The words "seahorse" merely describes the animal design, and the Chinese characters, when translated and read by one who understands Chinese, would also refer to the same sea creature. Also, Respondent cannot claim any exclusive right to the word "balm".

It is clear from the choice of words and characters the Respondent intended the seahorse design to be the central or focal point of its mark. When a purchaser comes across the products of Respondent, the dominant picture or idea that would come to his mind is the seahorse design as being the identifying and distinguishing feature of the mark.

Since the dominant portion of Respondent's mark is similar to the mark of Opposer, and considering further that they are used on related goods falling in the same class, namely Class 5, there is no doubt that confusion of goods is likely to occur.

Thus, "[g]oods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be

related when they serve the same purpose or are sold in grocery stores. Thus biscuits were held related to milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. The trademark "Ang Tibay" for shoes and slippers and pants was disallowed to be used for shirts and pants because they belong to the same general class of goods. Soap and pomade, although non-competitive, were held to be similar or to belong to the same class, since both are toilet articles". [*Esso v. CA, 116 SCRA 336 (1982)*].

The danger of confusion in this case appears greater because the articles involved are household items that are purchased by the ordinary consumers. Respondent's goods consisting of balms and medicated oil are sold off the counter in stores and supermarkets just like the cosmetics, skin care products and other toiletries sold by the Opposer. They flow in the same channel of commerce and bought by the same segment of the buying public. The goods also have the same characteristics because they are derived from a mixture of related compounds and oil-based chemicals.

Moreover, the labels or tags of Respondent have the same appearance as the drawings in its trademark application. There is also a pictorial illustration of a seahorse inside a circle and beside it are the words "seahorse Balm" and Chinese characters. Similarly, the mark of Opposer as it appears on the packaging of its goods contains a pictorial illustration of the same seahorse design, which is placed on the top or bottom portions of Opposer's product containers [*see Exhs. "X-5" to "X-26"*].

Under the circumstances, we find similarity in the general impression conveyed to purchasers by the seahorse design as they are actually used on the goods of the parties. We do not think the presence of the words "seahorse balm" and Chinese characters in Respondent's mark would make for a significant difference since colorable imitation does not require similarity in every detail. There is colorable imitation if there is similarity in the general appearance or in their essential, substantive and distinctive parts as would likely mislead or confuse persons in the ordinary course of purchasing the genuine article. [*see Emerald Garment Mfg. Corp. v. CA, 251 SCRA 600 (1996); Co Tiong v. Director of Patents, 95 Phil. 1 (1954)*].

Thus, it was held that the mark consisting of two roosters in a position of combat with the word "Bantam" printed above them for food seasoning is confusingly similar to the mark consisting of a hen with the words "Hen Brand" and "Marka Manok" also for food seasoning. In arriving at this conclusion, the Supreme Court held that the two roosters appearing in the trademark for food seasoning of the applicant for its registration and the hen appearing in the mark also for food seasoning of the oppositor, although of different sexes, belong to the same family of chicken, known as *manok* in all the principal dialects of the Philippines, and when a cook or household help or even a housewife buys a good seasoning product for the kitchen, the brand of the *manok* would most likely be uppermost in her minds and would influence her in selecting the product, regardless of whether the brand pictures a hen or a rooster or two roosters. To her, they are all *manok*. There in lies the confusion, even deception. [*Agpalo, The Law on Trademarks, Infringement and Unfair Competition, 2000 ed., p. 59, citing the case of Lim Hoa v. Director of Patents, 100 Phil. 2 (1956)*].

We see no reason to deviate from the above ruling. Since the seahorse design is the brand of the products, an ordinary buyer would likely be confused as to the goods themselves, or would be led to believe that the goods of Respondent come from or originate from the herein Opposer, who deserves protection being the earlier registrant and user of the seahorse mark in the Philippines.

IN VIEW THEREOF, the instant Notice of Opposition is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 76221 filed on May 29, 1991 for the mark "SEA HORSE BALM" by Respondent Seahorse Pharmaceutical Products (Pte) Ltd. for use on balms for medical purposes, embrocation and medicated oil under class 5 is hereby REJECTED.

Let the filewrapper of the trademark subject matter of the instant case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this decision with a copy thereof to be furnished the Bureau of Trademarks (BOT) for information and update of its records.

SO ORDERED.

Makati City, 29 November 2002.

EDWIN DANILO A. DATING
Assistant Director / Officer-in-Charge
Bureau of Legal Affairs