HI-TEX DIRECT MARKETING CO.,
Opposer,

-versus-

JOHN TAN,
Respondent-Applicant.
x----------x

Inter Partes Case No. 3907
Opposition to:

Application Serial No. 73385
Filed: September 21, 1990
Trademark: MODERN CLASSIC
Goods: jeans, jackets, t-shirts

Decision No. 98-37

DECISION

This pertains to an Opposition filed by HI-TEX DIRECT MARKETING CO. to the application of Mr. John Tan for the Registration of the trademark "MODERN CLASSIC" used on jeans, jackets and t-shirts, bearing Application Serial No. 73385.

Opposer herein, HI-TEX DIRECT MARKETING CO., is a domestic corporation with principal office at 3rd Floor, EBC Bldg., 739-A C.M. Recto Avenue, Manila, believes that it will be damaged by the approval of said application, hence, this Opposition based on the following grounds:

"1. The approval of the application in question is contrary to Section (d) of Republic Act No. 166, as amended;"

"2. The approval of application in question will violate Opposer's right to the exclusive use of the trademark MODERN BASIC which is duly registered in its favor;"

"3. The approval of the application in question will cause and will continue to cause great and irreparable damage and injury to herein Opposer;" and

"4. Respondent-Applicant is not entitled to register the trademark MODERN CLASSIC in his favor."

The Opposer relied on the following facts to support its Opposition:

"1. That long before September 21, 1990 when Respondent-Applicant filed his application in question for the registration of the trademark MODERN CLASSIC, Opposer through its predecessor-in-interest, had adopted and had been using the trademark MODERN BASIC for goods falling under Class 25;"

"2. That Opposer has not abandoned the use of the trademark MODERN BASIC. On the contrary, it has intensified the continued use of the said mark up to the present;"

"3. That the trademark MODERN BASIC was registered in favor of Opposer's predecessor-in-interest, Stephen Lee Keng on March 22, 1990 under Registration Certificate No. 47570, which was later on assigned to herein Opposer on December 26, 1990 under Registration Certificate No. 47570-A;"

"4. That both the MODERN BASIC label and design were duly copyrighted;"

"5. That the trademark MODERN CLASSIC being applied for registration by Respondent-Applicant is confusingly similar to the trademark MODERN BASIC duly registered in favor of the Opposer, the use of which Opposer has not abandoned;"

"6. That the approval of the application in question is contrary to Section 4(d) of Republic Act No. 166, as amended;"

"7. That the approval of the application in question is violative of the rights of Opposer to the exclusive use of the trademark MODERN BASIC;"

"8. That Opposer has spent a substantial amount of money to popularize and promote its MODERN BASIC branded products;"

"9. That through extensive advertising and promotional campaigns and because of the high quality of Opposer's products bearing the trademark MODERN BASIC, said mark has become distinctive of Opposer's products and established valuable goodwill in favor of Opposer;"

"10. That considering that Respondent-Applicant's mark MODERN CLASSIC is also used for the same kind of goods as the goods upon which Opposer has been using its registered mark MODERN BASIC, namely, jeans, jackets, t-shirts under Class 25, the approval of the application in question has cause and will continue to cause great and irreparable damage and injury to the Opposer;" and

"11. That Respondent-Applicant is not entitled to register the trademark MODERN CLASSIC in his favor."

Records show that on 30 July 1993, a Notice to Answer with Notice of the Opposition was sent to the Respondent-Applicant, requiring him to file his Answer within fifteen (15) days after the receipt thereof. Said Notice was received by Respondent-Applicant on August 2, 1993.

On August 17, 1993, Respondent-Applicant moved for the extension of time to file his responsive pleading, which Motion was granted by this Office on August 25, 1993under Order No. 93-612 giving the Respondent-Applicant thirty (30) days to file its answer. No Answer nor any responsive pleading however, was filed. Subsequently, upon motion of the Opposer, the Respondent-Applicant was declared in default on November 29, 1993. Consequently, Opposer was allowed to present its evidence ex-parte and submit the following issued for resolution:

1. IS THE RESPONDENT-APPLKICANT'S MARK MODERN CLASSIC AS ORIGINALLY FILED ON SEPTEMBER 21, 1990 CONFUSINGLY SIMILAR TO OPPOSER'S TRADEMARK WHICH IS MODERN BASIC?

2. WILL RESPONDENT-APPLICANT'S MARK MODERN CLASSIC CAUSE DAMAGE AND PREJUDICE TO OPPOSER IF ALLOWED REGISTRATION?

Opposer contends that Respondent-Applicant's trademark MODERN CLASSIC is a colorable imitation of the Opposer's MODERN BASIC trademark, hence, should be denied registration pursuant to Section 4(d) of Republic Act No. 166, as amended, which provides that –

"Section 4. Registration of trademarks, tradenames and service names. 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:

xxx

(d) Consists of or comprises a mark or tradename which so resembles a mark or trade name 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 services of the applicant, to cause confusion or mistake or to deceive purchasers." (underscoring provided)

The records reveal that both Respondent-Applicant's as well as Opposer's mark are composite marks which carry the common word MODERN, and that instead of the word BASIC of Opposer, Respondent-Applicant merely added the word "CLASSIC", thus making Respondent's mark as MODERN CLASSIC.

Likelihood of confusion cannot be avoided by Respondent-Applicant by merely adding the word "CLASSIC" to the word MODERN. Thus, in Continental Connector Corp. vs. Continental Specialties Corp., 207 USPQ 60, the repeated rule was applied, to wit: that the confusion created by the same word as the primary element in a trademark is not counteracted by addition of another term. Examples: "MISS USA" and "MISS USA WORLD" (Miss Universe, Inc. vs. Patrecelli, 161 USPQ 129); "GUCCI" and "GUCCI_GOO" (Gucci Shops vs. R.H. Macy and Co. 446 F. Supp. 838); "Comfort" and "Foot Comfort" (Scholl, Inc. vs. Tops E.H.R. Corp., 185 USPQ 754); "ACE" and "TEN-ACE" (Becton, Dickinson and Co. vs. Wiguam Mills, Inc. 199 USPQ 607).

It also appears that Opposer's MODERN BASIC mark and Respondent-Applicant's MODERN CLASSIC are similar in sounds. Moreover, it is not disputed that both trademarks cover the same line of products, thus, making confusion or deception of the part of the buying public a great possibility.

In American Wire and Cable Co. vs. Director of Patents, et. al., February 18, 1970, G.R. L-23557, the Supreme Court in interpreting Section 4(d) of R.A. 166, as amended, held:

> "x x x *the determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. In short, 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."*
>
> *xxx*
>
> *"In fact even their similarity in sound is taken into consideration, where the marks refer to merchandise of the same descriptive properties, for the reason that trade idem sonams constitutes a violation of trademark patents."*

Thus, in the case of Marvex Commercial Co. vs. Hawpia & Co., the registration of the trademark "Lionpas" for medical plaster was denied for being confusingly similar in sound with "Salonpas", a registered mark also for medicated plaster. The Supreme Court said:

> *"Two letters of "Salonpas" are missing in "Lionpas" the first letter "s" and the letter "a". Be that as it may, when the words are pronounced, the sound effects are confusingly similar. And where goods are advertised over the radio, similarity in sound is of special significance (Co Tiong Sa vs. Director of Patents, 95 Phil. 1). The importance of this rule is emphasized by the increase of radio advertising in which we are deprived of help of our eyes and must depend entirely on the ear 9Operators, Inc. vs. Director of Patents, October 25, 1965).*

It likewise appears from the records of this instant opposition that the trademark MODERN BASIC was first used in the Philippines on February 1, 1982 (Exhibits "B", "H", "I", "J" and "K"); that the same was registered in the name of Stephen Lee Keng, a Filipino citizen, with address at 1571 Antipolo St., Rizal Ave., ext. Sta. Cruz, Manila; that prior to the expiration of the

said registration, it was assigned to herein Opposer pursuant to which a new certificate of registration covering the same trademark was issued by this Office in favor of Opposer on December 26, 1990 (Exhibit “B”); that the Opposer is likewise the holder of a certificate of copyright registration for the MODERN BASIC label and design under Certificate of Copyright Registration No. 0-7187 (Exhibits “C”, “D”, “E” and “F”).

From the foregoing facts and evidences, Opposer has shown that Respondent-Applicant’s MODERN CLASSIC is indeed confusingly similar to its mark MODERN BASIC, hence, its registration is proscribed under Sec. 4 (d) of R.A. 166, as amended.

It is also noteworthy to mention at this point that the Respondent-Applicant was declared in default on November 29, 1993 on account of its failure to answer despite due notice of instant opposition. In this regard, the Supreme Court declared in Delbros Hotel Corporation vs. Intermediate Appellate Court (1988), that -----

> *“Fundamentally, default orders are taken on the legal presumption that in failing to file answer, the defendant does not oppose the allegations and relief commanded in the complaint.”* (underscoring ours)

WHEREFORE, the instant Opposition should, as it is hereby, SUSTAINED. Accordingly, Application Serial No. 73385 for the registration of the trademark “MODERN CLASSIC” of Respondent-Applicant John Tan is, as it is hereby, REJECTED.

Let the filewrapper of MODERN CLASSIC subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Bureau for appropriate action in accordance with this DECISION with a copy to be furnished the Bureau of Trademarks for information and update of its records.

SO ORDERED.

Makati City, 29 December 1998.

ESTRELLITA BELTRAN-ABELARDO
Caretaker/Officer-In-Charge