

JAPAN TOBACCO, INC.,	}	IPC No. 14-2008-00052
Opposer,	}	Opposition to:
	}	
-versus-	}	Serial No. 4-2006-009751
	}	Date filed: September 4, 2006
	}	
ROBERTO G. VALDEZ,	}	Trademark: "SEVEN M"
Respondent-Applicant.	}	
x-----x	}	Decision No. 2008-240

DECISION

This pertains to the opposition to the registration of the mark "SEVEN M" bearing Application No. 4-2006-009751 filed on September 4, 2006 covering the goods, "cigarettes, tobacco and tobacco products" falling under class 34 of the International Classification of goods which application was published in the Electronic Gazette of the Intellectual Property Office (IPO) on October 26, 2007.

Opposer in the instant case is JAPAN TOBACCO INC. (JT for brevity) is a corporation duly organized and existing under the laws of Japan with office address at 2-2-1 Toranomom, Minato-ku, Tokyo, Japan.

On the other hand, Respondent-Applicant is ROBERTO G. VALDEZ, with business address at No. 7 Cordoviz Compound Km 17, Aguinaldo Highway, Bacoor Cavite.

The grounds of the opposition are as follows:

- "A. JT has personality to file and prosecute the present opposition to Roberto G. Valdez's application for registration of the "SEVEN M" mark.
- "B. JT is entitled to ask for the refusal of Roberto G. Valdez's application for trademark registration of the Seven M mark. JT will be damaged and prejudiced by the allowance of the application for registration of the Seven M mark and it is contrary to Section 123 of the IP Code.

The facts relied upon to support the Notice of Opposition are as follows:

- "1. Plaintiff/Opposer is a corporation duly organized and existing under the laws of Japan with office address at 2-2-1 Toranomom, Minato-ku, Tokyo, Japan. It may be served with pleadings, notices, and processes through undersigned counsel at its address herein below indicated.
- 2. JT has the following relevant trademarks with the IPO:
 - 2.1 Mild Seven and Label Design IV with Application No. 4-2007-001128, in class 34;
 - 2.2 Mild Seven with Registration No. 4-2003-008006, in class 34;
 - 2.3 Mild Seven Label Design I with Registration No. 65849 in class 34; and
 - 2.4 Mild Seven and Blue Wind Device Color with Registration No. 4-2004-002178, in classes 16, 18 and 25.

For easy reference, the above JT trademarks shall be referred as JT's Mild Seven Trademarks.

Certified true copies of the certificates of registration are hereto attached as Annexes "A" to "A-3"

3. Japan is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Agreement"), which require member-countries to comply with Articles 1 through 12 of the Paris Convention for the Protection of Industrial Property (the "Paris Convention") (Article 2, paragraph 1, TRIPS Agreement). The Paris Convention, on the other hand, grants to member-countries nationality treatment and extends reciprocal rights to nationals of the Philippines (Article 2, Paris Convention).

4. On 04 September 2007, Roberto Valdez filed with this Honorable Office an application for registration of his alleged trademark "Seven M" under class 34 for cigarettes, tobacco and tobacco products. The application was assigned Application No. 4-2006-009751. The mark applied for was published for opposition in this Honorable Office's IPO Gazette on 26 October 2007.

5. JT has been registering and using the MILD SEVEN trademark around the world as well as here in the Philippines. JT's "Mild Seven" brand is well-known internationally such as in the Philippines, Japan and the United States because of JT's significant worldwide sales, promotions and advertising. The last Maxwell Report dated 2007 presenting the top world cigarette brands shows that MILD SEVEN was in 2006 the third largest selling cigarette brand in the world. A copy of this report is attached as Annex "B".

6. JT has been sponsoring the Grand Prix Formula One events from 1992 to 2006. The Formula One Grand Prix is one of the most famous sporting events in the world and members of the Philippine public have seen the "MILD SEVEN" mark on race cars, posters, racing driver gear and clothing items through JT's sponsorship of these events. As a result of JT's continuous sponsorship of the Formula One Renault Team, the "MILD SEVEN" trademark is now among the most recognizable brands in the world, attached are the following materials relating to this sponsorship:

6.1 Grand Prix Year Book 2005 which includes photographs of various Formula One World Championship Grand Prix Competitions in Europe, Germany, Malaysia, San Marino and Australia as Annex "C"; and

6.2 Photographs from the Formula 1 and Grand Prix 2005 sponsorships in the Philippines, Russia and Monaco attached as Annex "D".

7. Mild Seven cigarettes have been sold in the Philippines since 1996. Attached as Annex "E" are photographs of flat packs used in the sale of Mild Seven cigarettes.

7.1 Attached as Annex "F" are photographs of promotional items (non-branded) offered with Mild Seven cigarettes.

8. Mild Seven cigarettes were first launched in Japan in 1977 where they currently are the top seller cigarette brand and they have been sold in several other countries in and outside of Asia for many years.

8.1 Attached as Annex "G" are photographs taken in various Middle Eastern and Asian markets showing sale of the "Mild Seven" cigarette mark.

8.2 Attached as Annex "H" are photographs taken in the United States market showing sale of the "Mild Seven" cigarette MARK.

8.3 Attached are the following actual samples of MILD SEVEN products and promotional items distributed in Japan for the years 2007 and 2008;

8.3.1 Portable ash tray with cigarette pack as Annex "I".

8.3.2 Promotional package for 3 packs of Mild Seven cigarettes as Annex "J".

8.3.3 Poster for Vending Machine as Annex "K".

8.3.4 Poster stickers as Annexes "L" and "L-1".

8.3.5 Advertisement in a weekly Play Boy magazine as Annex "M".

8.3.6 Cigarette lighter as Annex "N".

9. JT enjoys a substantially exclusive use and registration for the trademark "Mild Seven" in many parts of the world which status is achieved by JT's efforts as zealously watching, protecting and defending its trademark rights in many countries. JT's "Mild Seven" trademarks have been registered in many countries including among others Australia, Brazil, Brunei, China, Germany, Hong Kong, Japan, Malaysia, New Zealand, Spain, Taiwan and the United States. The certified and authenticated certificates of registration in these countries will be submitted later.

10. JT believes that as the owner of the well-known trademark MILD SEVEN, the registration in the name of the Respondent-Applicant of the subject mark: (a) will damage and prejudice the rights and interests of Opposer herein; and (b) is contrary to the express provisions of the Republic Act 8293 or the Intellectual Property Code of the Philippines ("IP Code") in regard to what trademarks may or may not be registered.

11. The foregoing grounds are hereby pleaded in compliance with Section 134 of the IP Code and for the purpose of showing that registration of the subject mark is prohibited under the IP Code. Plaintiff/Opposer reserves its rights to file separate actions for unfair competition under Section 168 and related sections of the IP Code, it being understood that this opposition only deals with the issue of registrability of the subject mark and the proceedings will not take up the issue of injunction and recovery for damages arising from Respondent-Applicant's unauthorized use, adoption or registration of the subject trademark.

12. JT is entitled to oppose Roberto Valdez's application for registration of the Seven M under Section 160 of the IP Code which provides:

"[A]ny foreign national or judicial person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines

may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation of origin and false description, whether or not it is licensed to do business in the Philippines under existing laws”

13. Moreover, Rule 2, Section 4 of the *Rules on Interpartes Proceedings*, provides that:

“Any foreign national or judicial person whether or not engaged in business in the Philippines may bring a petition for opposition, cancellation or compulsory licensing: Provided, that the country of which he or it is a national or domiciled, or has a real and effective industrial establishment is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law.”

14. Japan being a party to the Paris Convention, and based on the Rules on Inter Partes Proceedings of the IPO, JT clearly has the right to bring the present Opposition.

JT is entitled to ask for the refusal of Roberto Valdez’s application for trademark registration of the SEVEN M mark. JT will be damaged and prejudiced by the allowance of the application for registration of the SEVEN M mark and it is contrary to Section 123 of the IP Code.

15. Section 123 of the IP Code provides:

“Sec. 123. Registrability. –

123.1 A mark cannot be registered if it:

xxx

(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;

(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 he interests of the owner of the registered mark are likely to be damaged by such use;

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services:
xxx” (underscoring supplied)

16. The Seven M mark is confusingly similar to JT’s Mild Seven Trademarks; thus the registration of the subject mark is proscribed under the IP Code as it will cause confusion, mistake and deception upon the consuming public and mislead them as to the origin, nature, quality and characteristics of the goods on which it is affixed.

17. In comparing JT Mild Seven Trademarks with the Seven M mark, the dominance test must be applied.

“The test of dominance focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception.”
(Societe Des Produits Nestle, S.A. and Nestle Philippines, Inc. vs. Court of Appeals, G.R. No. 112012, April 4, 2001)”

The dominant features of Mr. Roberto Valdez’s trademark application are the words “SEVEN M”. The dominant features of the trademarks owned by Japan Tobacco Inc., are the words “MILD SEVEN”.

Both marks use the identical word “seven” and Mr. Valdez uses the letter “M” which is also the first letter for the word “Mild”. The dominant features are so similar that it is likely to cause confusion or deception to the purchasers.

18. In comparing JT’s Mild Seven Trademarks with the Seven M mark, the holistic test must also be applied.

“The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.” (Fruit of the Loom, Inc. vs. Court of Appeals, G.R. No. L-32747, 29 November 1984)

18.1 Sound

Because of the similarity of the words used in the Seven M trademark application, the pronunciation of this mark sounds similar to JT’s Mild Seven mark and the consumer hearing the name of Seven M mark might be wrongly led to believe that this refers to JT’s Mild Seven brand.

18.2 Spelling

There is similarity of the spelling of the Seven M trademark and JT's Mild Seven Trademarks.

18.3 Appearance (design, coloring scheme and pictorial arrangement)

The Seven M trademark does not use any logo, and the fonts used are in small caps. But it is very glaring that the Seven M mark uses the same color scheme as the Mild Seven and Blue Wind Device (F1) Color with Registration No. 4-2004-002178. Although this trademark covers different classes of goods, the registration may still be opposed because it meets the requirements in Supreme Court case entitled 246 Corporation vs. Daway, G.R. No. 157216, November 20, 2003:

“A junior user of a well-known mark on goods or services which are not similar to the goods or services, and are therefore unrelated, to those specified in the certificate of registration of the well-known mark is precluded from using the same on the entirety unrelated goods or services, subject to the following requisites, to wit:

1. The mark is well-known internationally and in the Philippines. Under Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, in determining whether a mark is well known, the following criteria or any combination thereof may be taken into account:
 - a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
 - b) the market share in the Philippines and in other countries, of the goods and/or services to which the mark applies;
 - c) the degree of the inherent or acquired distinction of the mark;
 - d) the quality-image or reputation acquired by the mark;
 - e) the extent to which the mark has been registered in the world;
 - f) the exclusivity of the registration attained by the mark in the world;
 - g) the extent to which the mark has been used in the world;
 - h) the exclusivity of use attained by the mark in the world;
 - i) the commercial value attributed to the mark in the world;
 - j) the record of successful protection of the rights in the mark;
 - k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
 - l) the presence of absence of identical or similar marks validly registered for or used on identical or similar goods or services and

owned by persons other than the person claiming that his mark is a well-known mark.

2. The use of the well-known mark on the entirely unrelated goods or services would indicate a connection between such unrelated goods or services and those goods or services specified in the certificate of registration in the well known mark. This requirement refers to the likelihood of confusion of origin or business or some business connection or relationship between the registrant and the user of the mark.
3. The interest of the owner of the well-known mark is likely to be damaged. For instance, if the registrant will be precluded from expanding its business to those unrelated goods or services, or if the interest of the registrant of the well-known mark will be damaged because of the inferior quality of the good or services of the user.”

19. The determinative factor in ascertaining whether or not marks are confusingly similar to each other “is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. 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 new brand for it. Even if not all the details just mentioned were identical, with the general appearance alone of the two products, any ordinary, or even perhaps even [sic] a not too perceptive and discriminating customer could be deceived.” (Converse Rubber Corporation vs. Universal Rubber Products, G.R. No. L-27906, 8 January 1987)

20. The general appearance of the Seven M mark and JT’s Mild Seven Trademarks can likely cause confusion and deceive a purchaser to think that Seven M is the same as Mild Seven or a declination of Mild Seven and cause deception upon the consuming public and mislead them as to the origin, nature, quality and characteristics of the goods on which it is affixed.

21. Indeed, Mr. Roberto Valdez had before him “a boundless choice of words, phrases, colors and symbols sufficient to distinguish his marked product from the others.” And yet, Mr. Valdez chose similar mark. “[T]hough the field of his (its) selection was so broad, the inevitable conclusion is that it was done deliberately to deceive” (Del Monte Corporation vs. Court of Appeals, 181 SCRA 410-420).

22. The approval of the subject application will enable the Respondent-Applicant to unfairly profit commercially from the goodwill, fame and notoriety of JT’s Mild Seven Trademarks, to the damage and prejudice of JT. In addition, while Mr. Valdez would unjustly benefit from the use of JT’s Mild Seven Trademarks, the Seven M mark would be totally beyond the control of JT, which will have no means of ensuring the quality of the products manufactured by Mr. Valdez and consequently no way of preserving the reputation, popularity and distinctiveness of the “Mild Seven” trademark. This is clearly prejudicial to JT and justifies the rejection of Mr. Roberto Valdez’s Trademark Application.”

Opposer submitted the following in support of its opposition:

Documentary Exhibit	Description/Nature of Document
"A"	Certified true copy of the Certificate of Registration No. 4-2007-001128, issued in the Philippines, class 34
"A-1"	Certified true copy of the Certificate of Registration No. 4-2003-008006, issued in the Philippines, class 34
"A-2"	Certified true copy of the Certificate of Registration No. 65849, issued in the Philippines, class 34
"A-3"	Certified true copy of the Certificate of Registration No. 4-2004-002178, issued in the Philippines, classes 16, 18, 25
"B"	The last Maxwell Report dated 2007 presenting the top world cigarette brands showing that MILD SEVEN was in 2006 the third largest selling cigarette brand in the world.
"C" to "N"	Materials relating to JT's continuous sponsorship of the Formula One Renault Team, the "MILD SEVEN"
"O" to "MM"	Certified and authenticated certificates of registration in many countries
"OO"	Affidavit of Mr. Jean-Michel Flu, Attorney-in-Fact of JT representing in all Intellectual Property matters
"PP"	Power of Attorney of JT in favor of Mr. Flu
"NN"	Certified true copy of the signed, notarized, and legalized Power of Attorney issued by Hiroshi Kimura, President and Chief Executive Officer of JT in the name of Vincent F. Bick

On July 16, 2008, the Respondent-Applicant filed its Verified Answer whereby denying all the material allegations in the Verified Notice of Opposition and further alleged the following as its affirmative allegations and defenses.

"1. Respondent-Applicant is the proprietor of a small entity business duly organized and existing under the laws of the Philippines with principal address at No. 7 Coroviz Compound, Km 17, Aguinaldo Highway, Bacoor, Cavite, Philippines. Respondent-Applicant may be served with pleadings, notices and processes through his undersigned counsel at the latter's address herein below indicated;

ADMISSIONS/DENIALS

2. Paragraphs 1, 2, and 3 of Opposer's Opposition, along with the referenced Annexes, are denied for lack of sufficient knowledge to form a belief as to the truth or genuineness of the allegations;

3. Paragraph 4 of the Opposition is admitted, with the exception that the trademark sought to be registered is not "Seven M" but rather "seven m", or all in lower case letters, attached hereto as Annex "1" is a photocopy of the mark;

4. Paragraphs 5, 6, 6.1, 6.2, 7, 7.1, 8, 8.1 up to 8.3.6, and 9 of the Opposition, as well as the referenced Annexes, are all specifically denied for lack

of sufficient knowledge to form a belief as to the truthfulness of the allegations or the genuineness and authenticity of the purported supporting document;

5. Paragraph 10 of the Opposition is denied for the reasons set forth in the Discussion / Affirmative Defenses;

6. Plaintiff-Opposer cites two (2) grounds for opposition, namely:

6.1 That it (Japan Tobacco) purportedly “has personality to file and prosecute the present Opposition to Roberto Valdez’s application for registration of the “seven m” mark; and

6.2 That it (Japan Tobacco) will allegedly “be damaged and prejudiced by the allowance of the application for registration of the “seven m” mark and it is contrary to Section 123 of Republic Act 8293 or the Intellectual Property Code of the Philippines (“IP Code”) in regard to what trademarks may or may not be registered.

DISCUSSION/AFFIRMATIVE DEFENSES

I. Plaintiff-Opposer has no personality to file and prosecute this Opposition

7. Apart from bare allegations that Plaintiff-Opposer is entitled to oppose Roberto Valdez’s application for registration, Plaintiff-Opposer has not submitted any concrete proof to show that it meets the requirements under Section 3 of the IP Code in order to entitle it to file and prosecute the present Opposition;

8. Specifically, Plaintiff-Opposer has not submitted any documentary evidence to show that it has a real and effective industrial establishment in a country which is a party to the Paris Convention, which puts into question its right to file the instant Opposition;

9. More remarkable is the fact that the jurisdictional requirements cannot even be said to have been substantially complied with since none of the Annexes attached to the compilation of papers presently referred to as the Opposition can be considered by this Honorable Office, for the reasons set forth in the following point of discussion;

II. This instant opposition must be dismissed for lack of a verification and certification of non-forum shopping

10. At the onset, this instant Opposition must be dismissed for lack of a Verification and Certification of Non-Forum Shopping, as mandated by Rule 2, Section 1 of the Rules on Administrative Complaints of the IP Code;

11. At first glance, the Opposition attaches what appears to be a verification/certification of non-forum shopping. However, a closer look relevant that the verification/certification is actually signed by one KENNEDY B. SARMIENTO, who is one of the lawyers for the law firm BRITANCO SARMIENTO & FRANCO LAW OFFICES. And we may ask, from where does KENNEDY B. SARMIENTO, and the law firm of BRITANCO SARMIENTO & FRANCO receive its authority to sign the verification? From a certain VINCENT F. BICK, JR., as can be seen from the attached Special Power of Attorney. And who is this Mr. VINCENT F. BICK, JR.? We do not know.

12. Japan Tobacco, Inc., the alleged corporate entity who is the Plaintiff-Opposer in the instant Opposition, is not validly represented, there being no

Board Resolution passed by its Board of Directors during a valid meeting consisting of the requisite quorum resolving to appoint BRITANCO SARMIENTO & FRANCO LAW OFFICES as its Attorney-in-Fact, and to sign the verification and certification of non-forum shopping;

13. Instead, the law firm of BRITANICO SARMIENTO & FRANCO was authorized by, as we earlier stated, an unknown individual by the name of Mr. VINCENT F. BICK, whose relationship to Japan Tobacco, Inc. is in unknown – since he apparently has no official designation – and whose authority to act in any capacity for Japan Tobacco, Inc., is unmerited considering the singular, self-serving allegation that he is the “Attorney-in-Fact”, without so much as attaching a document evidencing the origin of such claim;

14. Our Supreme Court has had occasion to rule upon the importance of complaints or petitioners signing the verification, to wit:

“The verification is significant, as it is intended to secure an assurance that the allegations in the pleading are true and correct and not product of the imagination of a matter of speculation, and that the pleading is filed in good faith.”

15. The indispensability of a valid Verification and Certification of Non-Forum Shopping for all Complaints and Oppositions filed with this Honorable Bureau is clearly embodied in the Rules of the IP Code. Failure to attach such valid Verification and Certification renders the entire Opposition and its Annexes, to borrow the all too-famous words of our Supreme Court, “mere scraps of paper.” It bears stressing that a lack of verification is no mere “technicality” but has been consistently held by the Supreme Court as a “fatal defect” justifying immediate dismissal of the Complaint;

16. We anticipate Plaintiff-Opposer’s legal counsel will file with this Honorable Office documents or other belated pleadings in an attempt to cure this fatal defect, and even possibly argue or plead with this Honorable Bureau that it is not bound to construe the Rules strictly. However, we would like to impress early on that such arguments or belated, curative measures cannot be given sue course by this Honorable Bureau because the Rules are clear on this point, and only Verified Complaints vest proper jurisdiction with this Honorable Bureau, anything less would be tantamount to filing an unverified Complaint, which is patently a grave abuse of discretion and a violation of Respondent’s procedural due process. Plaintiff-Opposer had all of ninety (90) days – seeing that this Honorable Office favorably granted three (3) thirty-day extensions to Plaintiff-Opposer – within which to properly assemble an Opposition with the requisite Verification and Certification, but it failed to do so, and must now bear the consequences.

III. Plaintiff-Opposer is not entitled to ask for the refusal of Roberto Valdez’s application because no damage or prejudice will be suffered by the allowance of the application for registration of the Seven M mark and it is not contrary to Section 123 of the IP Code.

17. Despite the fact that this Honorable Office, pursuant to the Rules on Administrative Complaints, is obligated to dismiss this instant Opposition for being pro forma and lacking the requisite to validly invoke its jurisdiction, Respondent-Applicant, if only to dissuade Plaintiff-Opposer from re-filing a baseless Opposition, would like to set forth some of its arguments below to clarify its position to this Honorable Bureau;

18. Contrary to Plaintiff-Opposer's allegations, the "seven m" mark is not confusingly similar to JT's "Mild Seven" Trademarks, and the consuming public will certainly not be misled as to the origin, nature, quality and characteristics of the goods on which they are respectively affixed;

19. The case of Societe Des Produits Nestle, S.A. and Nestle Philippines, Inc. vs. Court of Appeals states, "[c]olorable imitation denotes such a close or ingenious imitation as to be calculated to deceive ordinary persons, or such a resemblance to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, as to cause him to purchase the one supposing it to be the other."

20. A cursory look at the respective marks – i.e., Annex "1" of respondent-applicant vis-à-vis Annex "A" (page 4) of Plaintiff-Opposer will readily show that "seven m" cannot, by any stretch of the imagination, be confused for the "Mild Seven" mark;

21. Furthermore, in determining if colorable imitation exists, two (2) tests have been developed by our Supreme Court, namely, the Dominancy Test and the Holistic test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement; whereas, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity.

22. Applying the dominancy test, we can clearly see that the dominant feature of Respondent-Applicant's mark is the word "seven" which is printed slanting upwards to the letter "m", all of which are in lower-case letters; whereas Plaintiff-Opposer's mark commences with the word "MILD" printed in upper-case letters followed by the word "SEVEN" likewise in upper-case letters, printed horizontally above a black or dark-colored horizontal bar;

23. Except for the word "seven", which under our trademark laws cannot be exclusively appropriated by any person or entity for being a descriptive figure or a generic name, the other word used respectively with said word in the trademarks are very different from each other in meaning, spelling, pronunciation, and sound, so that it cannot be said that the word "MILD" is anything similar to the singular letter "m";

24. In the applicable case cited by the Plaintiff-Opposer itself, Fruit of the Loom, Inc. vs. Court of Appeals, et.al., we wish to stress the ruling of the Supreme Court when it held that the similarity of one word does not lead necessarily to confusion or serve as a ground for infringement, as we herein below cite the most relevant excerpt of the ruling:

"In the trademarks FRUIT OF THE LOOM and FRUIT FOR EVE, the lone similar word is FRUIT. We agree with the respondent court that by mere pronouncing the two marks, it could hardly be said that it will provoke a confusion, as to mistake one for the other. Standing by itself, FRUIT OF THE LOOM is wholly different from FRUIT FOR EVE. WE do not agree with petitioner that the dominant feature of both trademarks is the word FRUIT for even in the printing of the trademark in both hang tags, the word FRUIT is not all made dominant over the other words.

"As to the design and coloring scheme of the hang tags, We believe that while there are similarities in the two marks like the red apple at the

center of each mark, We also find differences or dissimilarities which are glaring and striking to the eye such as:

1. *The shape of petitioner's hang tag is round with a base that looks like a paper rolled a few inches in both ends; while that of private respondent is plain rectangle without any base.*
2. *The design differ. Petitioner's trademark is written in almost semi-circle while that of private respondent is written in straight line in bigger letters than petitioner's. Private respondent's tag has only an apple in its center but that of petitioner has also clusters of grapes that surround the apple in the center.*
3. *The colors of the hang tag are also very distinct from each other. Petitioner's hang tag is light brown while that of respondent is pink with a white colored center piece. The apples which are the only similarities in the hang tag are differently colored. Petitioner's apple is colored dark red, while that of private respondent is light red.*

"The similarities of the competing trademarks in this case are completely lost in the substantial differences in the design and general appearance of their respective hang tags. We have examined the two trademarks as they appear in the hang tags submitted by the parties and we are impressed more by the dissimilarities than by the similarities appearing therein. We hold that the trademark FRUIT OF THE LOOM and FRUIT FOR EVE do not resemble each other as to confuse or deceive an ordinary purchaser. The ordinary purchaser must be thought of as having, and credited with, at least a modicum of intelligence (Carnation Co. vs. California Growers Wineries, 97 F. 2d 80; Hiram Walke and Sons vs. Penn-Maryland Corp., 79 F. 2d 836) to be able to see the obvious differences between the two trademarks in question. Furthermore, we believe that a person who buys petitioner products and starts to have a liking for it, will not get confused and reach out for private respondent's products when she goes to a garment store." [emphasis ours]

25. Again, the lone use of the word "seven", placed in a different order from that of Plaintiff-Opposer's mark, as well as being in all small caps rather than capital letters, cannot be said to cause a confusion with the consumers, as similarly observed by the Supreme Court in the above-cited case;
26. Verily, the two marks are so dissimilar to each other that the registration thereof was approved by the examiner-in-charge. If the contention of Plaintiff-Opposer had any merit, then certainly the examiner-in-charge would have refused the subject application for violation of Section 123 of the laws on trademarks;
27. Even utilizing the holistic test, there is no glaring similarity between the two marks that would lead the consumer to confuse the two products, for the color schemes are different, the sizes and casings of the letters are different, and the trademark "seven m" does not utilize any logo whereas "MIDL SEVEN" has a known logo. The "seven m" trademark is clearly very different from any of Plaintiff-Opposer's alleged trademarks, especially when the marks are viewed in their entirety, by considering their pictorial representations, angle of print, color schemes, and the letters of their respective labels.

28. In the case of Bristol Myers, the Supreme Court had occasion to apply the totality or holistic test, where it held that although both “BIOFERIN” and “BUFFERIN” are primarily used for the relief of pains such as headaches and colds, and their names are practically the same in spelling and pronunciation, both labels have strikingly different backgrounds and surroundings. In essence, the totality rule states, that:

‘The test is not simply to take their words and compare the spelling and pronunciation of said words. In determining whether two trademarks are confusingly similar, the two marks in their entirety as they appear in the respective labels must be considered in relation to the goods to which they are attached; the discerning eye of the observer must focus not only on the predominant words but also on the other features appearing on both labels. [emphasis ours]

29. Finally, Plaintiff-Opposer states in paragraph 18.3 [page 7] of its Opposition, that while it admits that the “seven m” trademark does not use any logo, and the fonts used are in small caps, it alleges that the “seven m” mark uses the same “color scheme” as Mild Seven and Blue Wind Device (F1) Color with Registration No. 4-2004-002178.” However, in the same paragraph, Plaintiff-Opposer categorically admits that the trademark “covers different classes of goods”.

30. According to Section 123 (e) of the IP Code, a mark cannot be registered if it:

“(e) Is identical with, of 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 xxx” [emphasis ours]

31. In the situation before us, with respect the color scheme alleged by Plaintiff-Opposer to be an infringement for its mark, the same must necessarily be ruled against Plaintiff-Opposer since, as categorically admitted by the latter, the goods wherein the two marks are used or connected which are distinct and covers different classes of goods.

32. Once goods fall under different classes, they are neither competing nor can be considered as related goods. And when they are so foreign to each other as to make it unlikely that the purchasers would think that Plaintiff-Opposer is the manufacturer of Respondent-Applicant’s goods because they belong to different classes of goods, there can be no confusion or infringement. The mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind. Furthermore, it is not enough that a mark is determined as well-known, but it must also show that the mark is used for the same or similar kinds of goods.”

Respondent-Applicant submitted the following evidence to support its trademark being opposed.

Documentary Exhibit	Description/Nature of Document
"1"	Labels of the Respondent-Applicant's trademark
"2"	Special Power of attorney executed by Roberto Gerona Valdez, the applicant

On August 19, 2008, the Preliminary Conference was officially terminated and the parties were directed to file their respective position paper.

The issues to be resolved are the following:

1. Whether or not the instant opposition should be dismissed for lack of verification and certificate of non-forum shopping;
2. Whether or not Respondent-Applicant is entitled to the registration of the mark "SEVEN M"

Preliminary, this Bureau will resolve the first issue as to whether the instant opposition should be dismissed for lack of verification and certification of non-forum shopping.

Anent thereto, this Bureau hereby rules in the negative.

Basically, the requirement on the verification and certification against forum shopping was adopted to deter the practice of some party-litigants of simultaneously pursuing remedies in different forums for such practice works havoc upon orderly judicial procedure. (*Gabionza v. Court of Appeals*, 234 SCRA 192, 196) With that, the controversy arises as to whether the signature of Opposer's counsel is sufficient for purposes of the verification and certification against forum shopping required under the rules.

By way of affirmative defenses, Respondent-Applicant, in his Verified Answer, raised the issue that the instant opposition must be dismissed for lack of verification and certification of non-forum shopping. Respondent-Applicant argued that a closer look at the verification/certification of non-forum shopping attached to the Opposition revealed that the same was actually signed by one Kennedy B. Sarmiento, one of the lawyers for the law firm BRITANICO SARMIENTO & FRANCO LAW OFFICES, whose authority to sign the verification came from an unknown individual to act in any capacity for Opposer corporation is unknown and unmerited since he apparently has no official designation aside from his self-serving alleging that he is the "Attorney-in-Fact" of Opposer corporation without attaching a document evidencing the origin of such claim. Elsewise stated, Respondent-Applicant is trying to show that Opposer corporation in the instant opposition is not validly represented there being no board resolution passed by its Board of Directors resolving to appoint BRITANICO SARMIENTO & FRANCO LAW OFFICES to sign the verification and certification of non-forum shopping on its behalf. Moreover, Respondent-Applicant pointed out that this Office should not be swayed by the desperate arguments of Opposer that technicalities should not cause the dismissal of the instant opposition as this is not a mere technicality otherwise, all oppositions filed before this Bureau need not have any verification or certification as they are dispensable.

Contrary to the claim of Respondent-Applicant, Opposer maintained that the verified notice of opposition was signed, verified and certified against non-forum shopping by Opposer's counsel BRITANICO SARMIENTO and FRANCO LAW OFFICES whose authority was issued by virtue of a Special Power of Attorney executed by Mr. Vincent F. Bick, Jr. as Opposer corporation's attorney-in-fact. Opposer further argued that Mr. Vincent F. Bick, Jr.'s authority as Opposer's attorney-in-fact was supported by the certified true copy of the signed, notarized and legalized Power of Attorney dated January 17, 2008 (Exhibit "NN") issued by the President and Chief Executive Office of Opposer corporation, Hiroshi Kimura, in the name of Mr. Vincent F.

Bick, Jr. evidencing the authority of the latter to sign any pleadings and documents regarding the present opposition on behalf of the Opposer corporation. With regards to the issue of board resolution, Opposer clarified that Opposer as a corporate practice does not issue board resolutions to authorize corporate representatives but instead issues Power of Attorney in the name of its authorized corporate representatives. Furthermore, Opposer pointed out that the Regulations on Inter Partes Proceedings does not require a board resolution to authorize Opposer's representative to sign the Verification and Certification of Non-Forum Shopping and that the only requirement is for the opposition to be verified by the Opposer or any person on his behalf who knows the facts relative thereto. Opposer likewise invoked liberality in the interpretation and application of the rules of procedure to be in accord to the just, speedy and inexpensive disposition of cases.

Resolving the issue at hand, this Bureau finds the case of National Steel Corporation v. Court of Appeals, G.R. No. 134468, August 29, 2002, citing the case of BA Savings Bank v. Sia, G.R. No. 131214, July 27, 2000, to be applicable. In this case, the Court ruled that the certificate of non-forum shopping may be signed, for and on behalf of a corporation, by a specifically authorized lawyer who has personal knowledge of the facts required to be disclosed in such document. The reason, as quoted in said case, is that:

“Unlike natural person, corporations may perform physical actions only through properly delegated individuals; namely, its officers and/or agents.

x x x

“The corporation, such as the petitioner, has no powers except those expressly conferred on it by the Corporation Code and those that are implied by or are incidental to its existence. In turn, a corporation exercises said powers through its board of directors and/or its duly authorized officers and agents. Physical acts, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by specific act of the board of directors. All acts within the powers of a corporation may be performed by agents of its selection; and, except so far as limitations or restrictions which may be imposed by special charter, by-law, or statutory provisions, the same general principles of law which govern the relation of agency for a natural person govern the officer or agent of a corporation, of whatever status or rank, in respect to his power to act for the corporation; and agents once appointed, or members acting in their stead, are subject to the same rules, liabilities and incapacities as are agents of individuals and private persons.

x x x

“For who else knows of the circumstances required in the Certificate but its own retained counsel. Its regular officers, like its board chairman and president, may not even know the details required therein.”

Clearly, while the rules require that the certification of non-forum shopping be signed by the plaintiff or any principal party, there is ample jurisprudence which recognizes the delegation of such authority to the authorized counsel by virtue of a special power of attorney. As held in the case of Novelty Philippines, Inc. v. Court of Appeals, G.R. No. 146125, September 17, 2003, the Supreme Court held that the authority of the general manager to sue on behalf of the corporation and to sign the requisite verification and certification of non-forum shopping may be delegated to any other officer of the company through a board resolution or a special power of attorney. More so that the said principle may be applied in this case considering that the Opposer Corporation is based abroad and such verification by the authorized counsel was deemed sufficient compliance with the rules. To this Bureau, there is no circumvention of the rules when the signing of the verification and certification of non-forum shopping was delegated to BRITANICO SARMIENTO & FRANCO LAW OFFICES by virtue of a Special Power of Attorney as it was the said firm which

was based here which may have knowledge of the details required in the said verification/certification.

Anent the authority of Mr. Vincent F. Bick, Jr., Opposer's attorney-in-fact, to issue the Special Power of Attorney authorizing the law firm of BRITANICO SARMIENTO AND FRANCO LAW OFFICES to sign the verification and certification of non-forum shopping on behalf of the Opposer corporation, suffice it to say that Opposer submitted in evidence a notarized and legalized Power of Attorney dated January 17, 2008 (Exhibit "NN") issued in favor of Mr. Bick recognizing the latter as its attorney-in-fact and its authority to handle any and all trademark matters including applications, prosecutions and renewals thereof. Therefore, by virtue of the said legalized Power of Attorney executed by the President and Chief Executive Officer of the Opposer Corporation, Mr. Vincent F. Bick, Jr. was clearly authorized by the Opposer to issue the Special Power of Attorney authorizing the law firm to sign the verification and certification of non-forum shopping on behalf of the Opposer. Said Power of Attorney issued in favor of Mr. Bick by Opposer Corporation being a notarized and legalized document enjoys the presumption of an authentic document. In this regard, it is worthy to note the rule that any suspicion on the authenticity and due execution of the special power of attorney which is a notarized document, thus a public document, cannot stand against the presumption of regularity in their favor absent evidence that is clear, convincing and more than merely preponderant. (Ateneo de Naga University v. Manalo, G.R. No. 160455, May 9, 2005)

By recognizing the signature of the counsel to sign the verification and certification of non-forum shopping on behalf of the Opposer corporation and upholding the authority of Mr. Bick as Opposer's attorney-in-fact to issue the Special Power of Attorney empowering the BITANICO SARMIENTO & FRANCO LAW OFFICES to sign the verification and certification of non-forum shopping on behalf of Opposer corporation, there is substantial compliance which necessitates the relaxation of the rules of procedure.



In any event, the policy of liberal interpretation of procedural rules compels this Bureau to uphold the authority of the counsel to sign the verification and certification of non-forum shopping as there appears to be no intention to circumvent the need for proper verification and certification, which are intended to assure the truthfulness and correctness of the allegations in the notice of opposition and to discourage forum shopping. Time and again, imperfections of form and technicalities of procedure are to be disregarded, except where substantial rights would otherwise be prejudiced. (Bases Conversion and Development Authority, et. al. v. Uy, G.R. No. 144062, November 2, 2006) Here, there was no substantial violation of Respondent-Applicant's right and what deserves more consideration is to delve on the merits of the case.

Resolving the second issue, the applicable provision of law is, Section 123 (d) of Republic act no. 8293, otherwise known as the Intellectual Property Code of the Philippines, which provides:

Sec. 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;

For a better appreciation of the contention of the parties, their respective marks are herein reproduced:

Opposer's mark	Respondent-Applicant's mark
	

As depicted above, it is undeniable that the marks of the parties, both containing the word “SEVEN” which is the predominantly feature being shown. They only differ in the presence of a “Logo and the word “MILD” in the opposer’s mark, nevertheless, the presence of said mattes do not in any way negate the existence of confusing similarity, in the face of an evident and clear similarity in the dominant feature and over all appearance of the marks of the parties which is the very word “SEVEN”.

In determining similarity and likelihood of confusion, jurisprudence has developed two test; the dominance test and the Holistic test.

Dominance test sets sight on the similarity of the prevalent features of the competing trademarks that might cause confusion and deception, thus constitutes infringement. Under this norm, the question at issue turns on whether the use of the marks involved would likely cause confusion or mistake in the mind of the public or deceive purchasers.

In contrast, the Holistic test entails a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity.

Applying the Dominance test, the Bureau of Legal Affairs finds and so holds that there exist confusing similarity of the competing trademarks as their dominant features are the words “SEVEN” contained on both which are exactly the same in all aspects, such as in SPELLING, PRONUNCIATION, as well as in MEANING.

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who have been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product (PRBHIDAS J. MIRPURI vs. COURT OF APPEALS, G.R. NO. 114508, 19 NOV. 1999, citing (ETEPHA vs. DIRECTOR OF PATENTS 16 SCRA 495).

Thus Sec. 123.1 (d) of R.A. No. 8293 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 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”.

In the case at bar, it is very clear that there is duplication and imitation of the opposer’s main/dominant feature which is the word “SEVEN” and evidently would result to confusion and deception if the mark “SEVEN” of the Respondent-Applicant be given due course, not to mention the fact that the competing trademarks cover the same goods which is cigarette class 34 of the International Classification of Goods.

Evidence on hand reveals that the opposer’s mark has been registered in the Philippines (Exhibits “A”, “A-1”, “A-2” and “A-3”)

It is likewise been registered in many countries of the World (Exhibit “O” to “MM”).

In the Philippines Nut Industry, Inc., vs. Standard Brands, Inc., 65 SCRA 575, the Court held:

In cases involving infringement of Trademark brought before the Court, it has been consistently held that there is infringement of trademark 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; that 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 and deception are likely to result, then infringement takes place; that duplication or imitation is not necessary, a similarity in the dominant features of the trademarks would be sufficient.”

The Supreme Court in Converse Rubber Corporation vs. Universal Rubber Products, Inc. (147 SCRA 155) and Del Monte Corporation et. al. vs. Court of Appeals et. al. (G.R. 78325, January 25, 1990) ruled that:

“the person who infringes a trademark does not normally copy out but only makes colorable changes, employing enough points of similarity to confuse the public with enough points of differences to confuse the courts.”

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, numerals, etc as to justify one who really wishes to distinguish his product from those of all other in entering the twilight zone of a field already appropriated by another. (Weco Products Co., vs. US Milton Ray Co., 143 2d 985, 31 C.C.P.A. Patents 1214)

“Why with all the million of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another’s mark if there was no intent to take advantage of the goodwill generated by the other mark (American Wire and Cable Co., vs. Director of Patents, 31 SCRA 544).”

One point to be considered in this particular case is the fact that the goods/products covered by the competing marks are cigarettes falling under the same Class 34 the International Classification of goods

WHEREFORE, the notice of Opposition is hereby SUSTAINED. Accordingly, application bearing Serial No. 4-2006-009751 for the trademark "SEVEN M" filed on September 4, 2006 by ROBERTO G. VALDEZ, is hereby REJECTED.

Let the filewrapper of "SEVEN M" subject matter of the above-captioned case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 13 December 2008.

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