

LANCEL INTERNATIONAL S.A.,	}	IPC No. 14-2007-00298
Opposer,	}	Case Filed
	}	
-versus-	}	Opposition to:
	}	Serial No. : 4-2006-007373
ROLANDO M. AGUILAR, JR. and	}	Date Filed: 07 July 2006
RAHEL RUTH A. AGUILAR,	}	
Respondent-Applicants.	}	Trademark: "LANCHEL"
x-----x	}	Decision No. 2008-181

DECISION

This pertains to an Opposition Case filed on 15 October 2007 by herein opposer, Lancel International S.A., a corporation fully organized and existing under the laws of Switzerland with business address at 10 route des Biches 1752 Villars-sur-Glane, Switzerland, against the application for registration of the trademark "LANCHEL" bearing Application Serial No. 4-2006-007373 filed on 07 July 2006 for goods falling under Classes 25 and 35 of the Nice Classification of Goods, namely shirts, pants, socks, blouses, jeans, slacks, dresses, sandos, shorts, shoes, sandals and slippers; boutiques, retail outlets and distributorship, by Rolando M. Aguilar, Jr. and Rachel Ruth A. Aguilar, respondent-applicants of No. 48 Branding Iron St., Rancho Estate 2, Marikina City, Philippines.

The subject trademark application was published for opposition in the Intellectual Property Office Official Gazette which was officially released for circulation on 15 June 2007.

The grounds of the instant opposition are as follows:

I. The mark "LANCHEL" which Respondent-Applicants seek to register so resembles Opposer's registered trademark "LANCEL" which when applied to or used in connection with the goods covered by the application under opposition will likely cause confusion, mistake and deception on the part of the purchasing public.

II. The registration of the mark "LANCHEL" in the name of Respondent-Applicants will violate Section 123.1 (d) of Republic Act No. 8293 ("Intellectual Property Code") x x x.

Thus any mark which is identical with a previously registered trademark should be denied registration in respect of similar or related goods, or if the mark applied for registration nearly resembles an already registered trademark that confusion or deception in the mind of the buying public will likely result.

III. Respondent-Applicant's use and registration of the mark "LANCHEL" will diminish the distinctiveness and dilute the goodwill of Opposer's registered trademark "LANCEL".

The allegations of facts are provided as follows:

1. Opposer is a Swiss company engaged in the business of manufacturing and distributing goods falling under International Class 18, specifically "leather goods, bags, handbags, luggages, suitcases, wallets, belts".

2. Opposer is the registered owner of the trademark "LANCEL" as evidenced by Philippine Certificate of Trademark Registration No. 036905 issued on 25 March 1987 covering the aforementioned products under International

Classes 09, 14, 18 and 25 of the Nice Classification. The said Registration No. 036905 has been applied for renewal of registration on the 7th of December 2006.

3. Opposer acquired by Assignment (recordation of the same duly filed with this Honorable Office on the 6th day of June 2007) the said registration No. 036905. Its predecessors-in-interest have adopted and have been in continuous and extensive commercial use of the trademark "LANCEL" in the Philippines as early as February 1993 as indicated in the Affidavit of Use filed for the 5th Anniversary of the said registration. Opposer's products carrying its "LANCEL" trademark are currently being sold and distributed in the Philippines by Riviera Retail Inc., with business address at Unit 203, Level 12, Shangri-La Plaza, EDSA corner Shaw Blvd., Mandaluyong City, Metro Manila, Philippines, and by subsidiaries Group Ltd at Cebu, Waterfront Hotel, Cebu and Naia Terminal I, Pasay.

4. Opposer's Philippine Trademark Registration No. 36905 has not been abandoned and is currently in full force and effect. In fact, Opposer timely and dutifully filed its Petition for Renewal of the Registration and the application for renewal has now been issued a Notice of Allowance and the corresponding Issuance Fee has been paid this 22nd of June 2007.

5. By virtue of Certificate of Trademark Registration No. 36905, Opposer has acquired ownership over the mark "LANCEL" to the exclusion of all others.

6. Opposer's registered trademark "LANCEL" and the mark "LANCHEL" which respondent-applicants seek to register are practically identical in sound and appearance that they leave the same commercial impression upon the purchasing public.

7. The mark "LANCHEL" which Respondent-Applicants seek to register is confusingly similar to Opposer's registered trademark "LANCHEL" as likely to cause confusion, mistake and deception to the public as to the source or origin of Respondent-Applicant's goods.

8. Opposer has invested a tremendous amount of its resources in the promotion of its "LANCEL" trademark as a result of which the said trademark has gained local as well as international popularity and repute. Thus, the use by, and registration in favor of, Respondent-Applicant of the confusingly similar mark "LANCHEL" on its goods will enable it to unjustly benefit from Opposer's established reputation and goodwill.

9. In view of the prior adoption, use and registration of the trademark "LANCEL" by the Opposer, Respondent-Applicant is clearly not entitled to register the confusingly similar mark "LANCHEL".

10. The registration of the trademark subject of the instant opposition will undoubtedly violate Opposer's rights and interests in its "LANCEL" trademark, cause confusion between Opposer's and Respondent-Applicant's businesses and products, and will most assuredly result in the dilution and loss of distinctiveness of Opposer's registered trademark "LANCEL"

Subsequently, this Bureau issued a Notice to Answer dated 24 October 2007 to herein respondent-applicants, Rolando M. Aguilar, Jr. and Rachel Ruth A. Aguilar, directing the filing of Answer within thirty (30) days from receipt. Said Notice was duly received on 12 November 2007. Thence, respondent-applicants, through counsel filed Motions for Extension of Time to File Answer dated 11 December 2007, 11 January 2008 and 09 February 2008. These were granted in Order Nos. 2008-65, 2008-169 and 2008-310, dated 09 January 2008, 24 January 2008 and 26

February 2008, respectively. Despite such, respondent-applicant did not submit an Answer to the Verified Opposition. Thus, pursuant to Section 11 of Office Order No. 79, series of 2005, this instant opposition case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses and the documentary evidence submitted by herein opposer, consisting of Exhibits "A", "B", "C", "D", "E", "F", "G" and "H".

The issue –

Whether or not respondent-applicant's mark "LANCHEL" covering goods under classes 25 and 35 is confusingly similar to opposer's registered mark "LANCEL" covering goods under classes 9, 14, 18 and 25.

This Bureau rules in the positive, finding merit in opposer's arguments and reliance to Section 123.1 (d) of R.A. 8293, which provides as follows:

"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 deceive or cause confusion.

(Emphasis Ours.)

In a contest involving registration of trademark, the determinative factor is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public. It does not require that the competing trademarks must be so identical as to produce actual error or mistake. It is rather sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

The existence of confusion of trademark or the possibility of deception to the public hinges a "*colorable imitation*", which has been defined as "such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article." (Emerald Garment Mfg. Corp. v Court of Appeals, 251 SCRA 600)

In resolving the issue of confusing similarity, the law and jurisprudence has developed two kinds of tests – the *Dominancy Test* as applied in a litany of Supreme Court decisions including Asia Brewery, Inc. v. Court of Appeals, 224 SCRA 437; Co Tiong v. Director of Patents, 95 Phil. 1; Lim Hoa v. Director of Patents, 100 Phil. 214; American Wire & Cable Co. v. Director of Patents, 31 SCRA 544; Philippine Nut Industry, Inc. v. Standard Brands, Inc., 65 SCRA 575; Converse Rubber Corp. v. Universal Rubber Products, Inc., 147 SCRA 154; and the *Holistic Test* developed in Del Monte Corporation v. Court of Appeals, 181 SCRA 410; Mead Johnson & Co. v. N.V.J. Van Dorp, Ltd., 7 SCRA 771; Fruit of the Loom, Inc. v. Court of Appeals, 133 SCRA 405.

The Test of Dominancy has been consistently relied upon by the Honorable Supreme Court in cases relating to infringement of marks. It is in fact incorporated in Section 155 of R.A. 8293 which focuses on the similarity of the prevalent features, or the main, essential and

dominant features of the competing trademarks which might cause confusion or deception. As to what constitutes a dominant feature of a label, no set of rules can be deduced. Usually, these are signs, color, design, peculiar shape or name, some special, easily remembered earmarks of the brand that easily attracts and catches the eye of the ordinary consumer.

The issue on confusion of marks and trade names are split into two types: (1) confusion of goods or services, and (2) confusion of business or of origin. In the first type, the ordinary prudent purchaser would be induced to purchase one product or service because of the similarity of the marks or trade names used thereon, relating to same or related kind of products or services. The second type of confusion exists, when one party's product or service, though different from that of another, is such as might reasonably be assumed to originate from the latter, and the public would then be deceived into that belief or into the belief that there is some connection or business association between the parties which, in fact, is absent.

The instant case revealed both confusion of goods and services, and confusion of business or of origin.

First. A side by side comparison of opposer's and respondent-applicant's respective marks are shown as follows:



Opposer's Mark



Respondent-Applicant's Mark

A perusal of the contending marks show that they are visually and aurally almost identical. Both marks are spelled the same, except for the additional letter "h" in respondent-applicant's mark "LANCHEL", which however do not produce a distinctive sound, since the contending marks have the same cadence when spoken. In fact, the mark's fonts create no distinction from one another, despite the opposer's uppercase letters and respondent-applicant's combination of uppercase and lowercase letters. There is complete absence of stylized fonts or distinguishing device in size, form and color leading to suggest an act of duplication and/or imitation. Undeniably therefore, what attracts and catches the eye of the public is the word "LANCEL" which is the opposer's registered word mark (Annex "G"), and the dominant word in respondent-applicant's subject word mark (file wrapper records).

Second. With respect to the goods/service of the contending marks, this Bureau finds that, opposer's products under *classes 09, 14, 18 and 25* (Annex "G") namely: ophthalmic eyeglasses and sunglasses, golden frames for glasses; jewelry, horological and chronometric instruments; leather goods, belts including buckles; foulards, silk scarves, ties, girdles; and respondent-applicant's products under *classes 25 and 35* (file wrapper records) namely: shirts, pants, socks, blouses, jeans, slacks, dresses, sandos, shorts, shoes, sandals and slippers; boutiques, retail outlets and distributorship, are deemed related. The contending marks cover the same classification no. 25. As to goods under classifications 9, 14 and 18, they are likewise deemed related as they are available for purchase of the same class of consumers and flow in the same channels of trade.

"Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters

with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus biscuits were held related to milk because they are both food products.” (American Foundries vs. Robertson, 269 USPTO 372, 381)

In so far as respondent-applicant’s application under the afore-quoted class 35, this may cause a connection to opposer’s goods to confusingly assume that respondent-applicant’s boutiques, retail outlets and distributorship sells and distributes opposer’s goods. In a related manner therefore, they lead to serve the same purpose and drawing the same connection in the fashion industry.

As held in the case of Mc Donald’s Corporation et al. v. L.C. Big Mak Burger, Inc., et al., G.R. No. 143993, August 18, 2003; Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, supra., “an ordinary purchaser might likely be induced to believe that the goods of one party are related to those of the other party and/or that, at the least, there is some connection between opposer and respondent-applicant which, in fact, does not exist. There is likelihood not only of confusion of goods but also confusion of business.”

The doctrine of confusion of origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one’s business reputation confused with another. “The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public. x x x” (And vs Teodoro, 74 Phil. 50)

This legal assemblage affirms the better right of opposer in accordance to the above-quoted provision otherwise known as the “prior registrant” and/or “prior filer” rule. Records show that opposer has registration for the mark “LANCEL” on 25 March 1987 and has renewed the same on 25 March 2007. Thus, opposer personifies legal basis under Section 123.1 (d), being the *prior registrant and prior filer* of a confusingly similar mark over related goods. Moreover, opposer’s right is vested on Section 138 of the IP Code which provides that a certificate of registration of a mark is prima facie evidence of the validity of the registration, the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the same in connection with the goods and those that are related thereto specified in the certificate. (Emphasis Supplied.)

WHEREFORE, the Verified Opposition is, as it is hereby SUSTAINED. Consequently, Application Serial No. 4-2006-007373 for the mark “LANCHEL” by Rolando M. Aguilar, Jr. and Rachel Ruth A. Aguilar, under classes 25 and 35 covering the aforementioned goods filed on 07 July 2006, is as it is hereby, REJECTED.

Let the file wrapper of “LANCHEL” subject matter in this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 21 October 2008.

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