

LOTTO S.P.A.,  
Opposer,

-versus-

PETER GO,  
Respondent-Applicant,

x-----x

INTER PARTES CASE NO. 3858  
Opposition to:

Appln. Serial no. 75469  
Filed: March 22, 1991  
Trademark: "LOTTE & DEVICE"

Decision No. 98-09

## DECISION

This is an Opposition filed in the matter of the application for registration of the trademark "LOTTE & DEV." for t-shirts, jeans and pants under Serial No. 75469 filed on March 22, 1991 by MR. PETER GO of Pasay city, Metro Manila, Philippines which was published for opposition on page 77 of the Official gazette no. 5, Vol. V and officially released for circulation on October 28, 1992.

The Opposer LOTTO S.P.A. is an Italian corporation with address at vis S. Gaetano, 131-Montebelluna (Province of Treveso) Italy.

The herein Opposer believes that it will be damaged by such registration and hereby opposes the registration of the mark "LOTTE & DEVICE" in the name of the respondent-applicant.

The grounds for opposition are as follows:

- "1. Opposer is the owner of subsisting registrations and has existing applications for registration the world over of its trademarks LOTTO and LOTTO & Device. The Opposer's trademarks LOTTO and LOTTO & Device are well-known trademarks and have gained consumer recognition as belonging to one source or origin, the Opposer therein;
- "2. The mark LOTTE & Device under Serial No. 75469 of respondent-applicant is confusingly similar with the Opposer's trademarks;
- '3. Respondent-applicant's adoption of the mark LOTTE & Device was done in bad faith with the manifest intention of cashing in on the goodwill of the Opposer's established trademarks;
- "4. This unauthorized adoption and illegal used by the respondent-applicant of the trademark LOTTE & Device will create in the minds of the buying public the impression that the products on which the mark is used is sponsored by or come from the same source or origin as those of the opposer to the damage and prejudice of the opposer;.
- '5. The Opposer's long and continued use of the trademarks LOTTO and LOTTO & Device has created for said marks a contextually distinctive and fanciful construct not in general use of the mark LOTTE & Device cause dilution.
- "6. The registration of the mark LOTTE & Device in favor of respondent-applicant will run contrary to the paragraph (d) of section 4, Republic Act No. 166, as amended, as well as the pertinent rules of the Revised Rules of Practice in Trademark Cases, and will be violative of the treaty obligations of the Philippines under the Paris Convention;

"7. Opposer's trademarks LOTTO and LOTTO & Device from part of the tradename of the opposer and is entitled to the protection under Article 8 of the Paris Convention and Section 37 of the Republic Act No. 166, as amended;

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

"1. The opposer is the creator, original and owner of the trademarks LOTTO and LOTTO & Device and it does business under the said trademarks and under the name and style "LOTTO S.P.A."

"2. Opposer owns registrations in countries the world over of the trademarks LOTTO and LOTTO & Device.

"3. Opposer's trademarks have long been established and have obtained general international consumer recognition and goodwill as belonging to one owner or origin, the Opposer herein. By virtue of Opposer's long use of mark, it has become distinctive of Opposer's goods and business.

"4. The trademark LOTTE & device of respondent-applicant is confusingly similar to Opposer's mark as to be likely, when applied to the goods, or when used in connection with the goods of respondent-applicant, to cause confusion or to misled the consumers as to the actual source or origin of the goods of respondent-applicant and falsely suggests a connection between the respondent-applicant's mark and Opposer's marks. Confusion will necessarily arise because Opposer's goods and respondent-applicant's goods will run in the same channels of trade.

"5. Respondent-applicant adopted the LOTTE & Device mark knowingly and in bad faith with full knowledge of the existence and popularity of the Opposer's marks and with an illegal intention to trade on and capitalize upon the immense goodwill that Opposer's mark has generated."

Respondent in his Answer to the Notice of Opposition denied all the material allegations in the opposition and interposed the following as his Affirmative defenses:

1. The trademarks in issue are not confusingly similar. In the resolution of trademark cases, it is well settled that in cases of this nature, the trademarks in issue must be compared in their entirety and should not be dissected into its parts and compared to the parts of the other mark.

2. A judicious application of the foregoing guideline would readily conclude that the two marks in issue are not confusingly similar. First, the spelling is not the same. Second, both marks being composite marks, the device in the case of the opposer is also different compared to the device of the Respondent-Applicant.

3. The Opposer has attached merely specimen copies of the "LOTTO and LOTTE & Device trademarks in violation of Section 8 of Republic Act 166 as amended and Rule 188 of the Rules of Practice in Trademark Cases.

4. The Opposer is not using its mark "LOTTO and LOTTO & Device in the Philippines.

The issues having been joined, this Office called this caser for pre-trial conference. Failing to reach amicable settlement, the parties went into trial.

The schedules trial on the merits were postponed due to meritorious reasons, until finally on September 16, 1993 the Parties, both Opposer and Respondent through their respective counsel manifested and agreed to submit joint stipulation of facts and their respective

Memorandum, instead of going to trial presenting their own evidences for the Bureau to evaluate and based its conclusions.

On March 16, 1994, Respondent and Opposer, by and through their respective Counsel, jointly agree and stipulate on the following facts:

"1. Opposer owns the mark "LOTTO and LOTTO & DOUBLE RHOMBUS DEVICE" which marks are shown in the hereto attached Annexes "A" "B", and "C".

"2. Opposer uses the aforementioned trademarks for goods under International classes 18, and 25, such as, clothing articles, shoes, sneakers, boots, socks, briefs, belts, shirts, t-shirts, hats, tennis ball and rackets, leather products, among other products in the same class.

"3. Opposer owns registration of its trademark in various countries of the world, including the Philippines. In the Philippines, it further has pending Application Serial No. 63089 for the registration of its mark. Opposer's products under its aforesaid trademarks have reached and become well-known in various markets throughout the world including the Philippines, through actual sales of Opposer's products and through advertising in various media. In the Philippines, Opposer has actually marketed its products through its licensee UNISPORT ITALIA Manufacturing Corporation. Attached hereto as Annexes "E" is a copy of Opposer's Philippines Trademark Registration No. 52446 for the Trademark "LOTTO & Device",

"4. On the other hand, respondent-applicant owns the mark "LOTTE and LAUREL DEVICE" having first used this mark in the Commerce in the Philippines on September 3, 1984 under class 25 and continuously used this mark in commerce ever since and therefore and has not abandoned the same.

"5. Respondent-applicant, by virtue of such use, has filed an application in the Bureau of Patents, Trademarks and Technology Transfer under Serial No. 75469 for the registration of the trademark "LOTTE & Device' on March 22, 1991 which the subject of Opposer's instant Opposition. A copy of respondent's mark, as published in the Official Gazette, is hereto attached as Annex "F".

"6. Respondent's applicant under international class 25, covers the following goods: t-shirts, jeans and pants.

"7. The parties agree that the pivotal issue involved in the instant opposition is whether or not the Respondent's trademark LOTTE and LAUREL Device is confusingly similar to Opposer's trademark LOTTO and LOTTO & DOUBLE RHOMBUS Device both another international Class 25, as to cause or be likely to cause confusion or mistake and misled the public into believing that the marks emanate from the same source.

"8. The parties agree to submit the case for resolution on the above sole issue of whether the marks are confusingly similar to each other while stipulating on all the other facts involved in the case as in embodied in this joint stipulations.

"9. The parties further agree to submit within thirty (30) days from filing of this joint stipulation of facts, their respective Memorandum to support their position.

Before this Office renders its conclusion pertaining to the issue submitted to it, the parties' stipulation of facts, the same being not contrary to law, moral and public order is, as it is hereby APPROVED.

The lone issue in this case is whether or not Opposer's trademark LOTTO and RHOMBUS Device is confusingly similar to respondent-applicant's trademark LOTTE and LAUREL Device.

With the enactment of R.A. 8293, otherwise known as the Intellectual property Code of the Philippines which took effect on January 1, 1998, the application for the registration of the mark LOTTE and Device should have been prosecuted under the new law (R.A. 8293).

However, this Office takes cognizance of the fact that the herein Application Serial No. 75469 was filed on March 22, 1991 when the new law was not yet in force. Section 235.2 of RA 8293, provides, inter alia that all applications for registration of marks or tradenames pending in the Bureau of Patents, Trademarks and Technology Transfer at the effective date of this Act may be amended, if practicable to bring them under the provision of this Act. xxxxx If such amendment is not made, the prosecution of said application shall be PROCEEDED WITH and registration thereon granted in accordance with the ACTS UNDER WHICH SAID APPLICATION WEREM FILED AND SAID ACTS HEREBY CONTINUED IN FORCE TO THESE EXTENT ONLY NOTWITHSTANDING THE FOREGOING REPEAL THEREOF (Underscoring supplied)

Considering however, that this application subject of opposition proceeding is now for resolution, thereby rendering impractical to so amend it in conformity with RA 8293 without adversely affecting rights already acquired prior to the effectivity of the new law ' (Sec. 326, supra) this Office undertakes to resolve the case under the former law, R.A. 166 as amended, more particularly section 4(d) which provided:

"SEC. 4. Registration of Trademarks, tradenames and service mark on the principal register. – There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:

x x x

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

XXX

In determining whether two competing trademarks are confusingly similar to each other, the test is not to take their words and compare their spelling, sound, meaning as well as their background alone but rather, the competing mark must be considered their entirety as they appear in their labels in relation to the goods to which they attached (BRISTOL MYERS VS. DIRECTOR OF PATENTS. 17 SCRA 128; MEAD JOHNSON VS. N.V. VAN DORP. LTD. 7 SCRA 768).

Comparing the two trademarks in its word composition, Opposer's trademark has the word "LOTTO" while that of Respondent-Applicant contains the word "LOTTE".

It is observed that the two marks composed of five letters each and their distinction is in the last letter wherein Opposer's mark ends in letter "O" and Respondent's marks on the other hand ends in letter "E".

However, although the two marks has the same number of letters and syllables, nevertheless their pronunciation are entirely distinct and different from each other and their

meaning as well are likewise different. Moreover, both trademarks are accompanied by different Device.

Opposer's trademark, is accompanied by a device called RHOMBUS DEVICE while the Respondent's marks contained the "LAUREL DEVICE" standing together. Thus, the Supreme Court in the case ("The Fruit of the Loom vs. Court of Appeals) 133 SCRA 405 ruled that: "We do not agree with Petitioner that the dominant feature of both trademarks is the word "FRUIT" for even in the printing of trademark in both hang tags the word 'FRUIT' is not all made dominant over the other words.

Trademarks having the same suffix and similar sounding prefixes but with strikingly different backgrounds; are not apt to confuse prospective customers, as stated by the Supreme Court in the case "Bristol Myers Company Petitioner vs. Director of Patents and United American Pharmaceutica, Inc. Respondent (17SCRA 126). For the words ' BIOFERIN AND BUFFERIN" have the same suffix and similar sounding prefixes, they appear in their respective labels with strikingly different backgrounds and surrounding as to color, size and design.

In another case, the Supreme Court ruled: It is true that between Petitioner's trademark "ALACTA" and Respondent's trademark "ALASKA" there are similarities in spelling, appearance and sound for both are composed of six letters of three syllables each and each syllable has the same vowel, but in determining if they are confusingly similar, a comparison of said words is not the only determining factor. The two marks in their entirety as they appear in their respective labels 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 other features appearing in both labels in order that he may draw his conclusion similar to the other (Mead Johnson Co. vs. N.V.J. Van Dorp Ltd. et. al. 7 SCRA 768)

Applying these tests to the trademarks involved in this particular case, it is clear that no likelihood of confusion among the consumers of the products carrying the competing marks could take place.

WHEREFORE, in view of all the foregoing premises, the Notice of Opposition is, as it is hereby DENIED for lack of merit. Accordingly, this case is DISMISSED. Consequently, Application bearing Serial No. 75469 for the trademark "LOTTE & LAUREL DEVICE" filed on March 22, 1991 by Respondent-Applicant Peter Go, is hereby GIVEN DUE COURSE.

Let the filewrapper 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 thereof to be furnished the Bureau of Trademarks for information and update of its records.

SO ORDERED.

Makati City, 03 November 1998.

ESTRELLITA BELTRAN-ABELARDO  
Caretaker/Officer-In-Charge