MONTRES ROLEX S.A.,
Petitioner,

- versus

DANNY UY,
Respondent-Registrant.
x----------x

INTER PARTES CASE NO. 1878

PETITION FOR CANCELLATION

Cert. of Regn. No. SR-3642
Issued : November 27, 1978
Registrant : Danny Uy
Trademark : "ROLEX & CROWN DEVICE"
Used on : Plastic Bags

DECISION NO. 88-78 (TM)
August 17, 1988

DECISION

Montres Rolex S.A., a Swiss corporation, filed a Petition for Cancellation (Inter Partes Case No. 1878) of Certificate of Registration No. SR-3642 issued on November 27, 1978 to Danny Uy, a Filipino Citizen, of the trademark "ROLEX & CROWN DEVICE" used on plastic bags (Class 18).

Petitioner filed this Petition on the ground, among others, that Respondent-Registrant's trademark "ROLEX & CROWN DEVICE" is confusingly similar with Petitioner's registered trademark "ROLEX & CROWN DEVICE" (Certificate of Registration No. 12764).

For failure to file an Answer, and upon motion of Petitioner, Respondent-Registrant was declared in default; his Motion to Dismiss was simultaneously denied (Order No. 85-097). Thereafter, Respondent-Registrant filed a Motion to lift Order of Default, while Petitioner filed an Opposition thereto. On May 10, 1985, this Bureau denied the said motion and allowed Petitioner to present evidence ex parte (Order No. 85-141). On June 14, 1985, Petitioner submitted its evidence. On June 18, 1985, Respondent-Registrant filed a Manifestation but Petitioner filed an Urgent Motion to Strike Out Pleading on the ground that the former had already been declared in default. On June 24, 1985, Petitioner submitted its Formal Offer of Evidence. On July 15, 1985, this Bureau admitted Petitioner's evidence (Order No. 85-219).

The issue to be resolved is whether or not Respondent-Registrant's trademark "ROLEX & CROWN DEVICE" is confusingly similar with Petitioner's trademark "ROLEX & CROWN DEVICE".

The evidence shows that Respondent-Registrant's trademark is identical to Petitioner's trademark in spelling, sound and appearance; the only difference is the linear curves on Respondent-Registrant's trademark (Exhs. "A-3" and "K-2").

Although Respondent-Registrant's trademark is used on plastic bags under Class 18 (Exhs. "K-1"), while Petitioner's trademark is used on watches, clocks, other chronometric instruments and parts thereof, watch bracelets and jewelry under Class 14, (Exh. "A-2"), the likelihood of confusion, mistake or deception upon purchasers cannot be avoided considering the similarity of marks, and that Petitioner's trademark is well known internationally and in the Philippines as evidenced by its registration in Thailand, Taiwan, Hong Kong, Malaysia and Singapore (Exhs. "E" to "E-10", "F" to "F-2", "G", "G-1", "H" to "H-2", "I" to "I-3 and "J" to "J-2"), continuous use in the Philippines since December 15, 1964 (Exh. "A-2") and advertisements therein (Exhs. "M" to "M-6").

Note that Section 4(d) of Republic Act 166, as amended, does not require that the goods of the prior user and subsequent user of the mark should possess the same description properties or fall under the same categories as to bar the registering of the later mark in the Principal Register. The likelihood of confusion, mistake or deception upon purchasers would suffice (See Sta. Ana vs. Maliwat, 24 SCRA 1018, citing Chua Che vs. Phil. Patent Office, 13 SCRA 67).

In Ang vs. Teodoro, 74 Phil. 50, the Supreme Court has ruled that:

> "The courts have come to realize that there can be unfair competition even if the goods are non-competing and that such unfair trading can cause injury or damage to the first user of a given trademark, first, by prevention of the natural expansion of his business; and second, by having his business reputation confused with and put at the mercy of the second user when competing products are sold under the same mark, x x x. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of the said mark, to convey to the public a false impression of some supposed connection between the original mark and the new articles being tendered to the public under the same similar mark. x x x The owner of a trademark or tradename 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 as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud."

WHEREFORE, the Petition is GRANTED; Certificate of Registration No. SR-3642 is CANCELLED.

Let the records of this case be remanded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director