

THE LIMITED STORE, INC.,
Petitioner,

INTER PARTES CASE NO. 3919 & 3918
Pet. for Cancellation:

- versus-

Regn. No.: SR-8537/ 53611
Date Filed: 10-07-91/ 09-28-92
Trademark: "FORENZA LABEL"
& "FORENZA"

X-TASY GARMENTS, INC.,
Respondent-Registrant.
X-----X

DECISION NO. 97-28

DECISION

This pertains to the consolidated cases docketed as Inter Partes Case Nos. 3918 & 3919.

Inter Partes Case No. 3918, refers to a Petition for Cancellation of the trademark "FORENZA" bearing Registration No. 53611 while Inter Partes Case No. 3919 refers to a Petition for Cancellation of the trademark "FORENZA LABEL" bearing Registration No. 8537. The herein Petitioner in both cases is The Limited Stores, Inc., a U.S. corporation with business address at Three Limited Parkway, P.O. Box 16528, Columbus Ohio, 43216 United States of America.

On the other hand, the Registrant in both cases is X-Tasy Garments, Inc., a corporation of the Philippines with address at 159 9th Street, 10th Avenue, Grace Park, Caloocan City.

In alleging that it will be damaged by the registrations, herein Petitioner raised the following common grounds for cancellation:

"a.) Petitioner possesses the exclusive title to an interest in the mark "FORENZA" by virtue of its prior registration and use thereof;

"b.) The mark FORENZA LABEL applied for by respondent-registrant is not only confusingly similar but deliberately identical to petitioner's trademark FORENZA which the petitioner own and has not abandoned;

"c.) The petitioner will be damaged and prejudiced by the registration of the mark FORENZA LABEL in the name of respondent-registrant, and its business reputation and goodwill will suffer great and irreparable injury;

"d.) Respondent-registrant's adoption and use of the identical mark FORENZA on related goods constitutes an unlawful appropriation of a Trademark owned by and currently used by petitioner;

"e.) The registration of the mark FORENZA LABEL in favor of the respondent-registrant was obtained fraudulently and contrary to 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."

In its Answer, the Registrant specifically denied the allegations of the Petition and further alleged that the trademark applications of herein Respondent could not have been registered if the BPTTT considered the same to be confusingly similar with that of Petitioner's trademark, and that:

"10. Respondents Registrant's goods such as inter alia, jeans, T-shirts, polo shirts, jackets in International Class 25 are unrelated and non-competing with Petitioner's goods, i.e. costume jewelry in International Class 14."

The parties were not able to come out with an amicable settlement for which trial on the merit was conducted.

The only issue to be resolved in this case is WHETHER OR NOT The Limited Stores, Inc. could validly claim ownership of the trademark "FORENZA".

Petitioner claims that it is the owner of the mark "FORENZA" so that Respondent should be barred from registering the same in its name pursuant to Section 4(d) of R.A. No. 166, as amended.

In support of its claim of ownership over the mark "FORENZA", Petitioner presented in evidence certificates of registrations issued in the United States of America [Exhibit "A", "B", "C", "D"] and photocopy of June 1994 issue of Glamour Magazine and pages of advertisement for Forenza [Exhibit "F"] and owner's original certificate of Registration No. 47742 issued to petitioner by the BPTTT [Exhibit "G" and Submarkings].

Certificate of Registration Nos. 53611 and SR- 8531 issued in favor of X-Tasy Garments Inc., on 10-07-91 and 9-28-92 respectively refer to the trademark FORENZA and FORENZA LABEL used on jeans, t-shirts, polo shirts, jackets, underwears, shoes and socks.

On the other hand, the Certificate of Registration issued by this Office in the name of the Petitioner for the trademark "FORENZA" bearing Registration No. 47742 issued on April 10, 1990 [Exhibit "G" and Submarkings] shows that Petitioner is the owner of the mark "FORENZA" and its exclusive right to use the same in connection with the goods, business or services specified in the certificate, more specifically on COSTUME JEWELRY in Class 14 of the International Classification of goods [Section 20 of R.A. No. 166].

The main issue sought to be resolved in the case at bar is whether or not the trademark "FORENZA LABEL" and "FORENZA" of Respondent-Registrant is confusingly similar to the trademark "FORENZA" of Petitioner.

The applicable provision of the Trademark Law, Sec. 4(D) provides in part, thus "The owner of a trademark, tradename, or service mark used to distinguish his goods, business or services from the goods, business or service of others shall have the right to register the same on the Principal Register, UNLESS it:

(d) Consists of or comprises 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 purchasers."

The Supreme Court held in the case of American Wire and Cable Co., Inc. vs. Director of Patents, 31 SCRA 544, which ruling was later reiterated in Converse Rubber Corporation vs. Universal Rubber Products, Inc., 147 SCRA 154, L-27906, January 8, 1987 that:

"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 possibility or likelihood of the purchaser of the older brand mistaking the new brand for it." (Underscoring provided)

In the case at bar, the similarity between the two marks lies not only in the fact that they are exactly the same word but that, as shown in the advertisements, they are exactly the same. Petitioner uses the mark "FORENZA" in its line of goods. Respondent-registrant also uses the same mark "FORENZA" in its goods. As can be gathered from these facts, confusing similarity among the buying public can necessarily be expected. Aside from the fact that the same word is used in both trademarks, it is likewise used on related goods. Though the petitioner may not have used its mark on Jeans, T-shirts, polo shirts, jackets, underwear, shoes and socks, in the Philippines, these are still within its area of reasonable business expansion. The "Sponsorship Theory" best exemplifies the position of Petitioner. Under this principle, it has been internationally recognized that protection of a trademark should extend to the zone of potential or logical expansion. Where the goods in respect of which the contending marks are used are so related that the courts would find that a false association is suggested, invariably it would also find that "confusion of origin" or "confusion of registration" occurs and therefore the trademark owner is entitled to protection.

In the, case of Ang vs. Teodoro, No. L-48226, December 14, 1942, 74 Phil 50, it was held that:

"The courts have come to realize that there can be unfair trading that 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 out at the mercy of the second user. When the non-competing products are sold under the same mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by the first user inevitably results."

Moreover, the Supreme Court has laid down certain criteria in deciding conflicts of trademark which do not relate to the same products or services, among which is, that the goods although not the same are related in that one is within the zone of potential or natural or logical expansion of the other.

Thus, the Court in the Chua Che vs. Philippine Patent Office, L-18337, January 30, 1965, 13 SCRA 67, found that the trademarks T.M. X-7 and X-7 are confusingly similar notwithstanding the fact that their respective goods fall under different categories, reasoned that the making of laundry soap is but a natural expansion of the business dealing in perfume, lipstick and nail polish.

The same ruling was made by the Court with respect to shoes and slippers vis-a-vis pants and shirts as pronounced in Ang vs. Teodoro and between haberdashery and shoemaking as held in the case of Sta. Ana vs. Allaliwat, L-23023, August 31, 1968, 24 SCRA 1018,

"The goods although non-competing are related in that the concurrent use of the trademarks thereon would likely suggest that the subsequent trademark proprietor is affiliated with or under the sponsorship of the original trademark owner. This is better known as the Sponsorship Theory which is closely associated with the principle that protection of a trademark should extend to the zone of potential or natural or logical expansion, thus the cited cases in which this principle was applied, likewise referred to the sponsorship theory in justifying the grant of protection to the Original Trademark Owner."

Furthermore, "A boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive." (III, Callman, Unfair Competition, 2nd Ed., pp. 1527-1528)

Likewise, the Supreme Court, in the case of Converse Rubber Corporation vs. Universal Rubber Products, Inc. 147 SCRA 154, January 8, 1987, held that: "The risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source."

Moreover, it is noteworthy to emphasize at this point that the trademark registered by Respondent-registrant is the very same word, the choice and adoption of which has no reasonable explanation, in exactly the same appearance of herein Petitioner's mark.

The Respondent-registrant seeks to maintain its registrations on the argument that since the same were processed by the Trademark Examining Division of this Bureau for a long time, the registration should now be beyond question. The unwritten argument is that this Bureau is estopped from cancelling registrations issued by it. This Office finds no merit in this argument. First, this argument does not address the issue or issues in the case at bar. Secondly, this argument seeks to render inutile the remedy of cancellation granted by law. Lastly, and perhaps not as important, this argument appeals only to one who may entertain some kind of self-righteousness or who may suffer from an illusion of infallibility; characteristics which should never be ascribed to nor possessed by this Bureau.

A certificate of registration of a mark is only prima facie evidence of the registrant's ownership of the mark. The same may be cancelled by this Office if it finds that the same has been obtained fraudulently. A trademark application includes a sworn statement of the date of the applicant's first use of the mark in commerce or business. Respondent-registrant claimed January 31, 1984 as its date of first use of its mark. There is nothing in the evidence to substantiate this sworn statement of the applicant. As a matter of fact, all the evidence presented by the Respondent-registrant prove first use much later than the claimed date of January 31, 1984. This issue has been raised by the Petitioner and the Respondent-registrant did not even bother to oppose the same by adducing even an iota of evidence to show the truth of its sworn statement stating January 31, 1984 as its date of first use.

WHEREFORE, these consolidated Petitions for Cancellation are hereby GRANTED. Accordingly, Registration Nos. SR-8537 and 53611 for "FORENZA LABEL" and "FORENZA" are hereby CANCELLED.

Let the filewrapper of this case be forwarded to the EDP/Trademark Registry Division, and the Application, Issuance and Publication Division for appropriate action in accordance with this Decision with a copy to be furnished the Trademark Examining Division for information to update its record.

SO ORDERED.

Makati City, 14 December 1997.

EMMA FRANCISCO
Director