

TRINIDAD COSMETIC LABORATORY,
INC., and BELEN M. BAYONETA,
Petitioners,

-versus-

EVE'S COSMETICS HOUSE, INC.,
Respondent-Registrant.

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IPC NO. 14-2004-00008

Petition for Cancellation
TM Reg. No. 4-1995-102809
TM: "KALIKASAN WITH TREE
DEVICE"

Decision No. 2006-101

DECISION

For action is this Petition for Cancellation of Certificate of Trademark Registration No. 4-1995-102809 issued on 28 February 2000 for the mark "KALIKASAN WITH TREE DEVICE" filed by Trinidad Cosmetics Laboratory Inc., hereinafter referred to as "Trinidad Cosmetics", a corporation duly organized and existing under Philippine laws with office address at 381 Sagittarius Street, Carmel V. Tandang Sora, Quezon City and Belen M. Bayoneta, hereinafter referred to as "Bayoneta", Filipino, of legal age with address at 381 Sagittarius Street, Carmel V, Tandang Sora, Quezon City against Eve's Cosmetics House, Inc., a corporation duly organized and existing under Philippine laws with office located at #7 Orchid Drive, Town and Countryville Subdivision, Proj. 8 Quezon City.

Petitioner based its petition on the following grounds:

"A. BEING CONFUSINGLY SIMILAR TO PETITIONER'S REGISTERED "Likas" TRADEMARK, RESPONDENT'S "Kalikasan with Tree Device" TRADEMARK SHOULD BE CANCELLED PURSUANT TO SECTIONS 123.1 (d) AND 151.1 (b) OF THE INTELLECTUAL PROPERTY CODE, AND RULE 101 (e) OF THE RULES AND REGULATIONS ON TRADEMARKS, SERVICE-MARKS, TRADE-NAMES AND MARKED OR STAMPED CONTAINERS.

B. RESPONDENT'S TRADEMARK WAS OBTAINED FRAUDULENTLY TO TAKE ADVANTAGE OF THE GOODWILL ATTACHED TO THE PETITIONER'S "Likas" TRADEMARK. RESPONDENT'S "Kalikasan with Tree Device" TRADEMARK SHOULD, THEREFORE, BE CANCELLED UNDER SECTION 151.1 (b) OF THE INTELLECTUAL PROPERTY CODE.

C. AS THE FIRST USER AND PRIOR REGISTRANT, PETITIONERS ARE ENTITLED TO PROTECTION UNDER PHILIPPINE LAWS AND JURISPRUDENCE.

In its answer, respondent raised the following affirmative defenses:

1. The mark KALIKASAN and TREE DEVICE and LIKAS are two marks capable of co-existence. Said in another way, the mark KALIKASAN and TREE device is not confusingly similar to the mark LIKAS even if used on the same line of goods.
2. In view of the action of this Honorable Office (through its predecessor the BPTTT), it is respectfully submitted that the issue of confusing similarity of the marks in question has been passed upon by this Honorable Office.
3. Furthermore, the registration sought to be cancelled is the whole word KALIKASAN and TREE device without emphasis on the common letters L-I-K-A-S. In its entirety, KALIKASAN with the TREE device is different from LIKAS alone. To prove this point, the mark LIKAS as registered and the mark

KALIKASAN with TREE device as registered are hereto presented side by side as appearing in one single page (ANNEX "4" hereof).

4. On the issue of fraud as mentioned in par. 4 of page 9 of the Petition, Petitioner equated the letter dated 04 October 1995 (ANNEX "J" of the Petition) as a ground to establish fraud with respect to the registration of the mark KALIKASAN and TREE device. For all intents and purposes, how was the fraud committed which lead the Trademark Examination Division of the BPTTT to issue the said Registration?
5. Furthermore, the long time that elapsed from the adoption of the new packaging up to the time of Petitioner through its lawyer sent the 15 July 2003 letter (ANNEX "K") clearly shows laches which would now prevent the Petitioner from questioning whatever right it has over their mark LIKAS in relation to the mark KALIKASAN with TREE device of the Respondent."

The pre-trial conference was set on 03 May 2004. While currently undergoing pre-trial, a Notice to Comply with Office Order 79 dated 10 October 2005 was issued requiring both parties to file all their evidence.

Petitioners submitted the following evidence:

Exhibit	Description
"A"	Affidavit of Belem M. Bayoneta
"B"	Affidavit of an Ordinary Consumer
"C"	A certified copy of the Certificate of Registration No. 52345 dated 18 March 1992 issued by the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) for the "Likas" trademark in the name of petitioner Bayoneta.
"D"	A certified copy of the Certificate of Copyright Registration dated 19 February 1990 issued by the National Library for the box of the "Likas" papaya herbal soap.
"E"	Sample of the copyright box bearing the "Likas" trademark.
"F"	Sample of the box bearing the "Kalikasan with Tree Device" trademark.
"G"	A certified copy of the Certificate of Product Registration of the formulation, labeling and commercial presentation of "Likas" papaya herbal soap.
"H"	One (1) original and two (2) duplicate copies of petitioner's cease and desist letter addressed to respondent dated 28 April 1995 regarding "Likas" papaya herbal soap.
"I"	One (1) original and two (2) duplicate copies of the letter of respondent's counsel, Escueta Tan Acut and Madrid Law Offices, address to petitioners dated 12 September 1995.
"J"	One (1) original and two (2) duplicate copies of the letter of respondent's counsel, Escueta Tan Acut and Madrid Law Offices, address to petitioners dated 26 September 1995.

- “K” One (1) original and two (2) duplicate copies of petitioner’s counsel’s letter addressed to respondent’s counsel, Escueta Tan Acut and Madrid Law offices, dated 27 September 1995.
- “L” One (1) original and two (2) duplicate copies of the letter of respondent’s counsel, Escueta Tan Acut and Madrid Law offices, address to petitioners dated 04 October 1995.
- “M” One (1) original and two (2) duplicate copies of petitioner’s cease and desist letter addressed to respondent regarding infringement of “Likas” trademark dated 15 July 2003.
- “N” One (1) original and two (2) duplicate copies of the letter of respondent’s counsel, Baterina Tobia Baterina and Nerpio Law Offices, addressed to dated 23 July 2003.

Respondent-registrant filed the following evidence:

Exhibit	Description
“1”	Affidavit of Jimmy W. Chung Certificate of Registration No. 4-1995-102809
“1.2”	Action Paper No. 5
“1.3”	Response to Official Action Paper No. 5
“1.4”	Likas and Kalikasan
“1.5”	Actual label of “LIKAS”

The pertinent provisions of the Intellectual Property Code on cancellation of marks is Section 151 which provides:

“Section 151.1 *Cancellation*. 151.1 A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

- (a) Within five (5) years from the date of the registration of such mark under this Act
- (b) At any time, if the registered mark xxx or if its registration was obtained fraudulently or contrary to the provisions of the Act xxx”

The main issue for determination is whether the mark “Kalikasan with tree device” is confusingly similar with petitioner’s registered mark.

The Intellectual Property Code states:

“Section 123. *Registrability* – 123.1 A mark cannot be registered if it:
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- (c) 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 good 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”

Respondent avers that there is no confusing similarity between the marks, the issue having been passed upon by the Bureau of Trademarks and by applying the holistic test. Petitioners on the other hand, maintains that their marks are confusingly similar and that respondent’s registration was obtained fraudulently.

At the outset it must be emphasized that there is no hard and fast rule in determining confusing similarity. Each case turns on its own peculiar set of facts. The Supreme Court in *Societe Des Produits Nestle v. Court of Appeals*, G.R. No. 112012, explains:

“It must be emphasized that in infringement or in trademark cases in the Philippines, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case must be decided on its own merits. (*Emerald Garment Manufacturing Corporation v. Court of Appeals*, 251 SCRA 600) In *Esso Standard, Inc. v. Court of Appeals* (116 SCRA 336), we ruled that the likelihood of confusion is a relative concept; to be determined only according to the particular, and sometimes peculiar, circumstance of each case. In trademark cases, even more than in any litigation, precedent must be studied in the light of the facts of the particular case. The wisdom of the likelihood of confusion test lies in its recognition that each trademark infringement case presents its own unique set of facts. Indeed the complexities attendant to an accurate assessment of likelihood of confusion require that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined. (*Thompson Medical Co. v. Pfizer, Inc.* 735ZF. 2d 208, 225 USDPQ 124 (2d Cir. 1985).”

The marks of both parties are reproduced below for reference:



Petitioner’s Mark



Respondent-Registrant’s Mark

Jurisprudence has developed two tests in determining the issue of confusing similarity. However, the Supreme Court in *McDonalds Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, dated 18 August 2004 has declared that the test of dominancy has now been incorporated in the law. In applying the dominancy test, the High Court held:

“In determining likelihood of confusion, jurisprudence has developed two tests, the dominancy test and the holistic test. The dominancy test focuses on the similarity of the prevalent features of the competing trademarks that might cause confusion. In contrast, the holistic test requires the court to consider the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. Xxx

The test of dominancy is now explicitly incorporated into law in Section 1551.1 of the Intellectual Property Code which defines infringement as the “colorable imitation of the registered mark xxx or a dominant feature thereof.”

Applying the dominancy test, the Court finds that the respondent’s use of the “Big Mak” mark results in likelihood of confusion. First, “Big Mak” sounds exactly the same as “Big Mac”. Second, the first word in “Big Mak” is exactly the same as the first word in “Big Mac”. Third, the first two letters in “Mak” are the same as the first two letters in “Mac”. Fourth, the last letter in “Mak” while a “k” sounds the same as “c” in spelling, thus “Caloocan” is spelled “Kalookan”. (Underscoring supplied).

The Supreme Court had relied on the dominancy test in its earlier decisions. In *American Wire & Cable Co. vs. Director of Patents*, 31 SCRA 544, it held:

“The question is, when a trademark likely to confuse or to cause the public to mistake one for another. Earlier rulings of the Court seem to indicate its reliance on the dominancy test or the assessment of the essential or dominant features in the competing labels to determine whether they are confusingly similar.

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Along are the same line are the rulings denying registration of a mark containing the picture of a fish (Bangus), as label for soy sauce, for being similar to another registered brand of soy sauce that bears the picture of the fish carp; or that of the mark bearing the picture of two roosters with the word “Bantam”, as label for food seasoning (vetsin), which would confuse the purchasers of the same article bearing the registered mark “Hen Brand” that features the picture of a hen.

The present case is governed by the principles laid down in the preceding cases. The similarity between the competing marks, DURAFLEX and DYNAFLEX, is apparent. Not only are the initial letters and the last half of the appellations identical, but the difference exists only in two out of the eight literal elements of the designations. Coupled with the fact that both marks covered insulated flexible wires under class 20; that both products are contained in boxes of the same material, color, shape and size; xxx”

In *Marvex Commercial Co., Inc. vs. Petra Hawpia & Co.* (18 SCRA 1178), the Supreme Court held:

“The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, vol. 1, will reinforce our view that “SALONPAS” and “LIONPAS” are confusingly similar in sound: “Gold Dust” and “Gold Drop”; “Jantzen and Jazz-Sea”; “Silver-splash” and “Supper-Flash”; “Cascarete” and “Celborite”; “Celluloid” and “Cellonite”; “Charteuse” and “Charseurs”; “Cutes” and “Cuticlean”; “Hebe” and “Meje”; “Kotex” and “Femetex”; “Zuso” and “Hoo-hoo” Leon Amdur, in his book “*Trademark Law and Practice*”, pp.419-421, cites, as coming within the purview of the *idem sonans* rule. “Yusea” and “U-C-A”, “Steinway Pianos” and “Steinberg Pianos” and “Seven-up” and “Lemon-Up”. In *Co Tiong vs. Director of Patents*, this Court equivocally said that “Celdura” and “Condura” are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name “Lusolin” is an infringement of the trademark “Sapolin”, as the sound of the two names is almost the same.

In the case at bar, “SALONPAS” and “LIONPAS” when spoken sound very much alike. Similarity of sound is sufficient ground for this court to rule that the two are confusingly similar when applied to merchandise of the same descriptive properties. (See *Celanese of America vs. E.I. Du Pont*, 154 F. 2d. 146, 148).

Applying the foregoing to the case at bar, the word “Kalikasan” is confusingly similar to the mark “Likas” which is applied to the same goods, herbal soap sold in the same channels of trade. The competing trademarks are written in the same style of lettering or font. The addition of the syllables “Ka” as a prefix and “an” as suffix is negligible. Consumers will still recall the dominant portion of the petitioner’s trademark which is the word “LIKAS” itself which is almost identical to respondent’s “Kalikasan”. Respondent argues that one word means “nature” and other means “natural” or “inherent”. Consumers would not be interested in the etymology of the words. They will be relying on the visual or commercial appearance of the marks and the phonetic impression of the mark as consumers recall it each time they make a purchase. A comparison of the labels of the parties (Exhibit “E” and “F”) would likewise reveal that both labels have the same overall orange color depicted in a way that the orange hue intensifies or darkens in color scheme at certain portions of the label. Not only are the marks “likas” and “kalikasan” in the same style of lettering, they are also printed in the color white. The word “herbal soap” appears on both labels and a picture of a “papaya fruit” is depicted on both labels. It is not difficult to conclude that registrant’s mark was created to approximate not only the dominant feature of the mark “LIKAS” but the over-all appearance of the petitioner’s label on its herbal soap.

“Differences there will always be, but whatever differences exist, these pale into insignificance in the face of an evident similarity in the dominant feature and overall appearance of the labels of the parties.

“It is not necessary, to constitute trademark ‘infringement’, that every word of a trademark should be appropriated, but it is sufficient that enough be taken to deceive the public in the purchase of a protected article.” (Bunte Bros. v. Standard Chocolates, D.C. Mass., 45 F. Supp. 478, 481).

“A trade-name in order to be a ‘infringement’ upon another need not be exactly like it in form and sound, but it is enough if the one so resembles another as to deceive or mislead persons of ordinary caution into the belief that they are dealing with the one concern when in fact they are dealing with the other.” (Foss v. Culbertson, 136 P. 2d 711, 718, 17 Wash. 2d 610).xxx

“Infringement’ of trade-mark does not depend on the use of identical words, nor on the question whether they are so familiar that a person looking at one would be deceived into the belief that it was the other, it being sufficient if one mark is so like another in form, spelling or sound that one with not a very definite or clear recollection as to the real mark is likely to be confused or misled.” (Northam Warren Corporation v. Universal Cosmetic C., C.C. A III., 18 F. 2d 714, 775). (Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, 65 SCRA 575).

Evidence show that petitioner Bayoneta applied for registration of the mark “LIKAS” for use in herbal soap way back in 20 February 1990 with the date of first use in 1983 January 1. The mark “LIKAS” was registered under Certificate of Registration No. 52345 in her name in 18 March 1992. (Exhibit “C”) Aside from securing a copyright registration for the mark in 19 February 1990 (Exhibit “D”), petitioner TRINIDAD COSMETICS also submitted a Certificate of Product Registration from the Bureau of Food and Drugs obtained in 31 July 1991. (Exhibit “G”) and its labels (Exhibit “E”). By its long usage, the mark “LIKAS” has gained goodwill through the use of its mark in relation to herbal soap.

The rights to a trademark under the old law may be acquired through lawful commercial use in the Philippines. The law is clear on this point.

“Sec. 2. *What are registrable* – Trademarks, tradenames and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines. Provided, That said Trademarks, tradenames and service marks are actually in use in commerce and services not less than two months in the Philippines before the

time the applications for registrations are filed: And provided further, That the country on which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is official certified, with a certified true copy of the foreign law translated into the English language, by the government of the foreign country translated into the English language, by the government of the foreign country to the Government of the Republic of the Philippines.

Sec. 2-A. Ownership of trademarks, tradenames and service marks, how acquired – Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, tradename or service mark not so appropriated to distinguish his merchandise, business or service from the merchandise, business or service of others. The ownership of a trademark, trade-name or service mark, heretofore or hereafter appropriated as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws.

Therefore, petitioner Bayoneta has gained a right to the mark “LIKAS” not only through use under the old law but registration according to the provisions of the trademark law.

There is also no merit to respondent’s argument that the same issue of confusing similarity has already been adjudged by the Bureau of Trademarks. In *Ong Ai Gui*, G.R. L6235, March 28, 1955) the Supreme Court elucidates:

“It will be noted that there are two steps in the proceedings for approval of an application for registration; the first is that conducted in the Office of the Director and taking place prior to publication, and the second, that conducted after publication, in which the public is given an opportunity to contest the application.

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It is evident that the Decision after the first step, ordering the publication, cannot have any finality. Of what use is the second step in the proceedings, if the Director is bound by his first decision, giving course to the publication? His first decision is merely provisional, in the sense that the application appears to be meritorious and is entitled to be given due course leading to the more formal and important second step of hearing and trial, where the public and interested parties are allowed to take part. (Emphasis supplied)

Petitioners also assert that fraud attended respondent’s registration of the mark evident from the letter of the respondent addressed to petitioner’s attorneys dated 4 October 1995 (Exhibit “J”). The letter reads:

“Re: Likas Papaya Herbal Soap

Gentlemen:

In connection with our letter dated 28 September 1995, receipt of which we acknowledge in your letter dated 27 September 1995, we confirm that our client is no longer marketing as of date “Kalikasan Papaya Herbal Soap” products as presently packaged. In fact, our client has already come out with “KALINISAN”, a new mark which is now subject of a pending application for registration with the Bureau of Patents, Trademarks and Tradenames. A Xerox copy of said application is attached.

We hope that this settles all matters relative to the above-captioned.”

Respondent however insists that fraud as a ground for invalidating a registration must be committed against a trademark examiner as the victim of the fraud. This Bureau believes that wording of the law in Section 151.1 (b) "if its registration was obtained fraudulently or contrary to the provisions of the Act" can only be interpreted that fraud was utilized by an applicant to deprive entitled to such registration thereby causing the person damage which entitles him to cancel the mark on such ground. The facts show that the petitioner and respondent have exchanged a series of letters with a view of settling the issue of usage of the "Kalikasan" mark (Exhibits "F", "G", "H", "I") culminating in the letter dated 4 October 1995, wherein respondent signified that it is no longer marketing "Kalikasan" as presently packaged and had in fact come out with a new mark, "Kalinisan". This Bureau likewise notes that in respondent's counsel's letter dated 26 September 1995 (Exhibit "H"), the respondents manifested that their Board of Directors are seriously considering to adopt another mark for its papaya herbal soap products. We believe that by these actuations, respondents are in bad faith, if not fraudulent. However, assuming that the actuations do not amount to fraud, the respondent's registration should still be cancelled in view of our earlier finding that the respondent's mark is confusingly similar to the petitioner's "LIKAS" mark.

WHEREFORE, premises considered the Petition for Cancellation filed by TRINIDAD COSMETICS LABORATORY, INC., and BELEN M. BAYONETA is as it is hereby GRANTED. Accordingly, Trademark Certificate Registration No. 4-1995-102809 for the trademark "KALIKASAN WITH TREE DEVICE" issued to Eve's Cosmetic House, Inc. used on 28 February 2000 for "soap" is, as it is hereby, CANCELLED.

Let the filewrapper of "KALIKASAN WITH TREE DEVICE", subject matter of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 27 September 2006.

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