

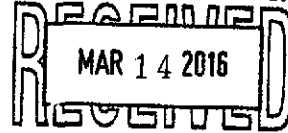
REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
Manila

SOUTHEAST ASIA FOOD, INC.
(now NUTRI ASIA, INC.),
Petitioner,

- versus -

OFFICE OF THE DIRECTOR
GENERAL and the DIRECTOR
OF THE BUREAU OF TRADEMARKS,
Respondents.

Intellectual Property Office of the Phils.
Office of the Director General-Legal



BY: *Meklyn* TIME: *[Signature]*

CA-G.R. SP No. 133646

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NOTICE OF DECISION

February 29, 2016

Sir/Madam:

Please take notice that on February 29, 2016*, a DECISION, copy attached, was issued by the FIRST DIVISION, Court of Appeals, in the above-entitled case, the original of which is now on file in this office.

You are hereby required to inform this Court within five (5) days from receipt hereof of the date you received the notice with copy of the Decision.

Very truly yours,

ATTY. VENUS B. MAGLAYA-TALOMA
Division Clerk of Court

for:

JULIANNE R. SUYOM
Asst. Division Clerk of Court

Copy furnished:

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*4:15 p.m. (time of receipt)



REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
MANILA

FIRST DIVISION

SOUTHEAST ASIA FOOD,
INC. (now NUTRI ASIA, INC.),
Petitioner,

CA-G.R. SP NO. 133646

Members:

- versus -

REYES, JR., A. B.,
Chairperson
BARZA, R. F. and
REYES-CARPIO, A., *JJ.*

OFFICE OF THE DIRECTOR
GENERAL and the DIRECTOR
OF THE BUREAU OF
TRADEMARKS,
Respondents.

Promulgated:

FEB 29 2016

Juanita Lynn 4.16

DECISION

BARZA, J.:

Before this Court is a *Petition for Review*¹ assailing the *Decision*² dated December 20, 2013 of the Office of the Director General of the Intellectual Property Office of the Philippines in Appeal No. 04-2011-0012 wherein it sustained the Director of the Bureau of Trademark's rejection of herein petitioner Southeast Asia Food, Inc.'s trademark application for the trademark "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE."

¹ Rollo, pp. 12-47.

² Rollo, pp. 51-53.

THE FACTS

Herein petitioner Southeast Asia Food, Inc. (*petitioner*) is engaged in the manufacture, sale and distribution of condiment products. It currently markets, distributes and sells a host of food products, including vinegar products bearing well-known brands such as "DATU PUTI," "HEINZ," "UFC," and "AMIHAN."

On January 29, 2010, preparatory to its launch of another *Datu Puti* vinegar variant, petitioner filed an application for the registration of the mark "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE" for goods under Class 30, specifically for "vinegar."

In the course of the examination of the subject trademark application of petitioner, the Examiner-in-Charge held that petitioner's mark may not be registered because it resembles the registered mark "SUKA PINAKURAT AND DEVICE," belonging to one Reinard Donn C. Stuart Del Rosario (*Del Rosario*) and that the resemblance is likely to deceive or cause confusion since Del Rosario's mark is also used for vinegar.

In response thereto, petitioner filed its *Responsive Action*³ wherein it argued that the word "*pinakurat*" in "SUKA PINAKURAT AND DEVICE" is a descriptive and generic term which cannot be afforded trademark application. Furthermore, the said word may not also be considered as the dominant feature of the mark of Del Rosario because the dominant feature in the latter's mark is its device (a representation of two coconuts trees in an island) while the dominant feature of petitioner's "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE" is "DATU PUTI,"

³ Rollo, pp. 132-144.

thus, it cannot be said that its mark is confusingly similar to the mark of Del Rosario.

Thereafter, the Examiner-in-Charge issued *Paper No. 05*⁴ in which she maintained that the term "*Pinoy Kurat*" is confusingly similar to "*Pinakurat*." The examiner also held that petitioner's attack on the validity of the registration of the mark "*SUKA PINAKURAT AND DEVICE*" is misplaced as it cannot attack the validity of the registration of the said mark in a trademark examination process and that it should have instead opposed the registration of the said mark when it was published for opposition years ago.

On appeal by petitioner to herein respondent Director of the Bureau of Trademarks (*DBT*), the latter sustained the rejection of petitioner's mark in its *Decision*⁵ dated March 10 2011. According to the *DBT*, the marks of petitioner and Del Rosario both share a similar dominant term, "*Pinoy Kurat*" and "*Pinakurat*," albeit with slight variances. These variances, however, are insufficient to avoid confusion in the public considering the peculiarity of the term "*kurat*." The word components of the two marks also stand out as their most dominant features according to the *DBT* despite the fact that they contain designs since consumers order their products by giving the name of the mark rather than describing its design. Neither can the term "*pinakurat*" be also considered descriptive or generic as claimed by petitioner since the etymology of the said word does not describe the nature, quality, ingredients or other characteristics of the product "*vinegar*." Finally, the *DBT* held that petitioner must raise its objection to the registration of Del Rosario's mark in an appropriate proceeding and not during the trademark examination process of its own mark since petitioner must rely on the registrability of its own mark rather than on the claimed weakness of another. The

⁴ *Rollo*, pp. 163-164.

⁵ *Rollo*, pp. 169-174.

dispositive portion of the decision of DBT states:

"WHEREFORE, premises considered, the instant appeal is hereby **DENIED** and the Final Rejection in Official Action Paper No. 05 **SUSTAINED**. Serve copies of this Decision to applicant-appellant and Examiner Maritess Q. Salvejo.

SO ORDERED."⁶

Petitioner filed a motion for reconsideration to assail the above-mentioned decision of the DBT but the same was denied by the latter in her *Order*⁷ dated April 26, 2011.

In the assailed Decision dated December 20, 2013, herein respondent Director General of the Intellectual Property Office of the Philippines (DGIPO) sustained the rejection of petitioner's trademark application. In denying the registrability of petitioner's mark, the DGIPO ruled that petitioner cannot use the word "*kurat*" on its vinegar products since there is an existing trademark registration for the mark "*Suka Pinakurat*" which is similarly being used on vinegar products. Citing Sec. 138 of the Intellectual Property Code of the Philippines, the DGIPO explained that the issuance of a certificate of registration (COF) for "*Suka Pinakurat*" is *prima facie* evidence of the validity of the said mark's registration, the registrant's ownership thereof and the registrant's right to use the same for vinegar products and those related thereto. Allowing petitioner, therefore, to use the word "*kurat*" on its vinegar products would violate the right of the registrant of "*Suka Pinakurat*" to exclude others from using the said mark. Lastly, the DGIPO also ruled that it is inappropriate for petitioner to attack the validity of the registration of "*Suka Pinakurat*" during the trademark examination process of its mark because the proceeding

⁶ *Rollo*, p. 174.

⁷ *Rollo*, pp. 185-186.

therein is only *ex parte*. The dispositive portion of the said decision states as follows:

"WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision be furnished the Director of the Bureau of Trademarks, and the library of the Documentation, Information, and Technology Transfer Bureau for information, guidance and record purposes.

SO ORDERED"⁸

Hence, this petition.

ISSUES

Petitioner raises the following assignment of errors for the appeal to be granted, *to wit*:

I.

WHETHER OR NOT THE DIRECTOR GENERAL COMMITTED A SERIOUS ERROR OF LAW IN RULING THAT THE PURPORTED PRESUMED VALIDITY OF THE TRADEMARK REGISTRATION FOR "SUKA PINAKURAT AND DEVICE" MAY NOT BE ATTACKED IN THE SUBJECT PROCEEDINGS.

II.

WHETHER OR NOT THE DIRECTOR GENERAL COMMITTED A SERIOUS ERROR OF LAW IN RULING THAT THE TRADEMARK REGISTRATION OF "SUKA PINAKURAT AND DEVICE" GIVES GREEN GOLD⁹ THE EXCLUSIVE RIGHT TO USE THE SAID TRADEMARK FOR VINEGAR PRODUCTS AND THOSE RELATED THERETO.

⁸ *Rollo*, p. 53.

⁹ Petitioner claims that Del Rosario has assigned his trademark "Suka Pinakurat and Device" to Green Gold Gourmet Foods Incorporated.

III.

WHETHER OR NOT THE DIRECTOR GENERAL COMMITTED A SERIOUS ERROR OF LAW IN RULING THAT PETITIONER MAY NOT USE "KURAT" ON ITS VINEGAR PRODUCTS.

IV.

WHETHER OR NOT THE DIRECTOR GENERAL COMMITTED A SERIOUS (SIC) OF LAW IN SUSTAINING THE FINAL REJECTION OF PETITIONER'S "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE."¹⁰

RULING OF THE COURT

The above-cited issues raised by petitioner may be rephrased as follows: (a) whether the registration of the trademark "SUKA PINAKURAT AND DEVICE" may be collaterally attacked by petitioner during the proceedings for the determination of the registrability of its own mark; and, (b) whether petitioner's trademark "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE" is registrable.

The appeal is not meritorious.

In its present petition, petitioner reiterates its argument before the DGIPO that the registration of a trademark does not perfect a trademark right but merely creates a *prima facie* presumption of the registrant's exclusive right to the use of the said trademark. Petitioner, thus, argues that the DGIPO should have not relied on the purported *prima facie* validity of the registration of the mark "SUKA PINAKURAT AND DEVICE" without resolving whether its registrant is entitled to the exclusive use of the word "*kurat*," a term which petitioner claims is descriptive and generic and thus cannot be afforded trademark application. Lastly, petitioner argues

¹⁰ Rollo, pp. 21-22.

that a trademark registration may be held invalid by direct attack or collaterally in any action where its validity is in issue.

We are not persuaded.

***Proper venue to assail
the validity of the
registration of a mark.***

Section 151 of R.A. 8293, otherwise known as the "*Intellectual Property Code*" provides the procedure to be followed by a person who believes that he will be damaged by the registration of a mark, viz:

Section 151. *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 the mark under this Act.
- (b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A

registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

Since the foregoing provision not only provides the specific grounds for the cancellation of the registration of a mark but also the period by which each ground can be invoked by a party, it is clear that the procedure under Section 151 of R.A. 8293 is the proper and only way of assailing the previous registration of a mark. We, therefore, agree with the DBT and the DGIPO that it was improper for petitioner to manifest its objections on the registrability of Del Rosario's mark "*SUKA PINAKURAT AND DEVICE*" during the trademark examination process of its own mark, "*DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE*." The impropriety of petitioner's act in seeking the cancellation of Del Rosario's mark during its application for the registration of its own mark before the examiner of the Bureau of Trademarks is also highlighted by the fact that the proceedings therein are only *ex parte* as stated under Rule 600¹¹ of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers,

¹¹ Rule 600. *Application prosecuted ex parte; protests.* An application for registration is prosecuted *ex parte* by the applicant; that is, the proceedings are like a lawsuit in which there is a plaintiff (the applicant) but no defendant, the court itself (the Examiner) acting as the adverse party.

No attention shall be paid to *ex parte* statements or protests of persons concerning pending applications to which they are not parties, unless information of the pendency of these applications shall have been voluntarily communicated by the applicants.

thus, Del Rosario was not even notified and given the chance to controvert the allegation of petitioner that his mark is not registrable.

Petitioner's reliance also on *Unno Commercial Enterprise v. General Milling Corporation*¹² to substantiate its claim that the previous registration of a mark may be attacked in any action where its validity is in issue is misplaced since the said decision was rendered prior to the promulgation of R.A. 8293 on June 6, 1997. As explained above, the proper procedure to assail the previous registration of a mark is to file a petition for the cancellation of the same under Sec. 151 of R.A. 8293.

Since petitioner may not collaterally attack the validity of the registration of the mark "SUKA PINAKURAT AND DEVICE," it cannot claim now before this Court that its registration was invalid on the ground that the word "pinakurat" in the said mark is a descriptive and generic term. Besides, a trademark is essentially a property right, thus, this Court cannot order the cancellation of Del Rosario's mark without first giving him the right to present his side since this would be violative of his right to due process.

Thus, in resolving whether petitioner's mark is registrable or not, this Court will just focus on whether there was an error on the part of the DGIPO when it affirmed the DBT's decision that petitioner's mark "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE" is confusingly similar to Del Rosario's trademark "SUKA PINAKURAT AND DEVICE."

***Determining the
likelihood of confusion***

¹² G.R. No. L-28554, February 28, 1983.

between the two marks.

The DBT applied the *Dominancy Test* in ruling that there is a similarity between petitioner's "DATU PUTI PINOY KURAT SPICED TUBA VINEGAR AND DEVICE" and Del Rosario's "SUKA PINAKURAT AND DEVICE." The said test focuses on the similarity of the main, prevalent or essential features of the competing trademarks that might cause confusion.¹³ In the case of petitioner and Del Rosario's marks, the DBT found that the two share a similar dominant term "Pinoy Kurat" and "Pinakurat," albeit with slight variances, thus, there is a possibility that the two marks may mislead and confuse the public. Petitioner, however, claims that the dominant feature of Del Rosario's mark are not the words "Suka" and "Pinakurat" but rather its design which is the representation of "two coconut trees in an island." Since this feature of Del Rosario's mark is in no way incorporated in its own mark, petitioner claims that the two marks are readily distinguishable from one another.

Again, We are not persuaded.

We agree with the observation of the DBT that the word components of the respective marks of petitioner and Del Rosario stand out as their most dominant features despite the fact that the two marks contain designs since consumers order their products by giving the name of the mark rather than describing its design. An examination in turn of the word components of the two marks show that the two indeed share a similar dominant term "Pinoy Kurat" and "Pinakurat" in light of the use of the peculiar word "kurat" in both marks. The fact also that "Pinoy Kurat" and "Pinakurat" have the same number of syllables made the two terms sound very much alike.

¹³ *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004.

In *Marvex Commercial Co. Inc. v. Petra Hawpia and Co.*,¹⁴ the Supreme Court explained that similarity in sound is a sufficient ground to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties, viz:

"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 **'Jass-Sea'**; **'Silver Flash'** and **'Supper Flash'**; **'Cascarete'** and **'Celborite'**; **'Celluloid'** and **'Cellonite'**; **'Chartreuse'** and **'Charseurs'**; **'Cutex'** and **'Cuticlean'**; **'Hebe'** and **'Meje'**; **'Kotex'** and **'Femetex'**; **'Zuso'** and **'Hoo Hoo.'** Leon Amdur, in his book *'Trade-Mark 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 unequivocally said that **'Celdura'** and **'Cordura'** 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 marks are confusingly similar when applied to merchandise of the same descriptive properties." (emphases supplied)

This Court, therefore, agrees with the DBT that there is a very high tendency that the public may get confused between the *"Pinoy Kurat"* in the mark of petitioner and the *"Pinakurat"* of Del Rosario's such that the products containing these marks might be mistaken by the public to

¹⁴ G.R. No. L-19297, December 22, 1966.

have come from the same source. The likelihood of confusion is also increased by the fact that both marks are being used on the same product – vinegar. Consequently, We affirm the denial of the registration of the mark of petitioner.

WHEREFORE, the foregoing considered, petition is hereby **DENIED**. The Decision dated December 20, 2013 of the Office of the Director General of the Intellectual Property Office of the Philippines in Appeal No. 04-2011-0012 is hereby **AFFIRMED**.

SO ORDERED.

ORIGINAL SIGNED

ROMEO F. BARZA
Associate Justice

WE CONCUR:

ORIGINAL SIGNED

ANDRES B. REYES, JR.
Presiding Justice

ORIGINAL SIGNED

AGNES REYES-CARPIO
Associate Justice

CERTIFIED TRUE COPY:
[Signature]
ATTY. VENIS B. MAGLAYA-ALOMA
Division Clerk of Court

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ORIGINAL SIGNED

ANDRES B. REYES, JR.
Presiding Justice & Chairperson
First Division