



ARVIN U. TING,
Opposer,

-versus-

QUANTA PAPER CORPORATION,
Respondent-Applicant

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Inter Partes Case No. 14-2008-00261

Case Filed : 30 October 2008

Opposition to:

Appl'n Serial No.. : 04-2007-001704

Date Filed : 19 February 2007

Trademark : "SMILE Label Mark
Variant II"

Decision No. 2009- 43

DECISION

This pertains to the opposition to the registration of the mark "**SMILE LABEL MARK VARIANT II**" bearing Application No. 4-2007-001704 filed on February 07, 2007 covering the goods "*bathroom tissue, packaging materials*" falling under class 16 of the International Classification of goods which application was published in the Intellectual Property Philippines (IPP) E-Gazette, officially released on October 03, 2008.

The Opposer in the instant case is "**ARVIN U. TING**" doing business under the name and style "**GOLDEN KING GENERAL MERCHANDISE**" with address at No. 30 Barreto Street, East Bajac, Olongapo City.

The Respondent-Applicant is "**QUANTA PAPER CORPORATION**" a corporation organized and existing under the laws of the Republic of the Philippines with address at Ninoy Aquino Highway, Paralayunan, Mabalacat, Pampanga.

The grounds of the opposition are as follows:

- "3. Opposer is the prior user and registered owner of the trademark "**SMILE Baby Diaper**", which Opposer, through Golden King General Merchandise, started using as early as January 2005, and for which he applied for registration on 17 February 2005 (two years prior to Respondent-Applicant's application), and obtained registration on 02 July 2007. Certified true copy of Certificate of TM Registration No. 4-2005-001579 in the name of the Opposer, for goods under Class 16, specifically baby diapers is attached hereto as **Exhibit "B"**. The words "**Baby Diapers**" have been disclaimed for being generic, with the word "**SMILE**" as the protected element of the mark.
- "4. On 31 March 2008, Opposer also filed TM Application No. 4-2008-003665 for the registration of the mark "**SMILE**" for bathroom tissue, pocket and facial tissue (Class 16); panty liner, sanitary

napkin (Class 5); and baby powder, baby oil, shampoo, baby wipes, baby cologne (Class 3).

- "5. Since January 2005 up to present, Opposer has been using the mark "**SMILE**" in the manufacture, distribution and sale of its baby diapers all over the country. Such use is continuous, exclusive and un-abandoned. Sample sales invoices evidencing the sales of Opposer's "**SMILE**" baby diapers from 2005 up to the present are attached to the affidavit of Mr. Arvin Ting (**Exhibit "C"** hereof).
- "6. Through continued and exclusive use for three (3) years up to the present, the trademark "**SMILE**" has become distinctive of the products of Opposer. "**SMILE**" has long become well-known in the industry and synonymous with the quality of the goods Opposer offers. Thus, the registration of the mark "**SMILE Label Mark Variant II**" in the name of Respondent-Applicant for similar goods under Class 16 is likely to mislead public, particularly as to the nature, quality, characteristics and origin of said goods.
- "7. The reputation of Opposer's "**SMILE**" mark was established and expanded by the extensive advertising and promotions undertaken by the Opposer. The consistent successful growth of Opposer's business since its inception in 2005 and up to the present shows excellent brand stewardship which involves consistent allocation of investment and resources for advertising and promotions for the "**SMILE**" mark.
- "8. From 2005 up to the present, Opposer undertook advertising and marketing activities and spent considerable amount for the promotion of "**SMILE**" baby diapers. Sample of advertisement and promotion material published by Opposer together with various supermarkets are attached to the affidavit of Mr. Arvin Ting. Through the years and as a result of Opposer's continuous efforts in providing quality products "**SMILE**" baby diapers gained reputation and goodwill in the industry.
- "9. In support of the foregoing allegations, the affidavit testimony of Opposer Mr. Arvin U. Ting is attached hereto and made an integral part hereof as **Exhibit "C"**.
- "10. The registration of the trademark "**SMILE Label Mark Variant II**" in the name of Respondent-Applicant will contravene and violate Section 123.1 (d) and (g) of the Intellectual Property Code (the "IP Code") which provide:



"Sec. 123. Registrability –

123.1. A mark cannot be registered if it:

X

X

X

"(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

(i) The same goods 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;

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services."

"11. The identity or confusing similarity between Respondent-Applicant's mark and Opposer's mark "**SMILE Baby Diapers**" is very likely to deceive the purchasers of goods on which the mark is being used as to the origin of source of said goods and as to the nature, character, quality and characteristics of the goods, to which it is affixed.

"12. Respondent-Applicant's trademark "**SMILE Label Mark Variant II**" is confusingly similar to Opposer's "**SMILE Bay Diapers**". The dominant portion of the Opposer's and Respondent-Applicant's mark is the word "**SMILE**". It will also be observed that the fonts of the word "**SMILE**" in both trademarks are uncannily identical or similar, such that the average consumer will likely be confused as to the source of said goods.





Opposer's mark

Respondent-Applicant's mark

- 12.1 In the case of **Co Tiong Sa vs. Director of Patents**, the Supreme Court ruled :

"It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. ***If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place.*** Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. The question at issue in cases of infringement of trademarks is whether the use of the marks involved would likely to cause confusion or mistakes in the mind of the public or deceive purchasers. (Emphasis supplied)"

- 12.2 The Supreme Court reiterated foregoing pronouncement in the cases of **Lim Hoa vs. Director of Patents, Phil. Nut Industry, Inc. vs. Standard Brands, Inc., Converse Rubber Corporation vs. Universal Rubber Products, Inc., Asia Brewery, Inc., vs. Court of Appeals, Societe Des Produits Nestle, S.A. vs. Court of Appeals and McDonald's Corporation, et. al. vs. L.C. Big Mak Burger, Inc.**

- "13. Respondent-Applicant's goods, i.e., all kinds of tissue, paper towels, etc., are likewise similar or related to Opposer's products, i.e. Baby diapers.

- 13.1 Section 138 of the Intellectual Property Codes provides:

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“Section 138 – Certificate of Registration – a certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registration's ownership of the mark and of the registrant's exclusive right to use the same in connection with the goods or services **and those that are related thereto specified in the certificate.”**

- 13.2 The goods are related if they belong to the same class or possess the same descriptive properties. Thus, biscuits were held related to milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. In the case of ***Chua Che vs. Philippine Patent Office***, the Supreme Court ruled:

“Registration of a trademark should be refused in cases where there is a likelihood of confusion, mistake or deception even though the goods fall under different categories. The fact that the appellee has not yet used the trademark **X-7** on granulated soap, the product on which the appellant wants to use said trademark, does not detract from the fact that he has already a right to said trademark and should therefore, be protected. The average purchasers are likely to associate X-7 laundry soap with X-7perfume, lipstick or nail polish or to think that the product have common origin or sponsorship. The products of appellee are common household items nowadays, the same as laundry soap. The likelihood of purchasers to associate those products to a common origin is not far-fetched.”

- 13.3 The above observations made by the Supreme Court are applicable to the instant case. Respondent-Applicant's goods, specifically “bathroom tissue, packaging materials” are common household items like Opposer's goods i.e., baby diapers. They are also both paper products such that they are displayed and sold in the same section of drugstores, groceries, and supermarkets. Thus, it is very likely that purchasers will associate these products with the Opposer, as they have in fact done, especially since these goods also flow through the same channels of trade.

Respondent-Applicant's goods belong to the same class, i.e. Class 16 as Opposer's baby diapers.

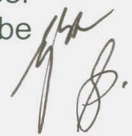
- 13.4 The goods although not the same likewise related if one are within the zone of potential or logical or natural expansion of the other. The owner of a registered mark has protection against use of his mark on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with or sponsored by the owner of the registration. Thus, in the case of ***Sta. Ana vs. Maliwat***, the Supreme Court stated:

"Modern law recognizes that the protection to which the owner of the trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior proprietor of a trademark or trade name is likely to lead to a confusion of source, as where the prospective purchasers would be misled into thinking that the complaining party has expanded his business into field or is any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business. Mere dissimilarity of goods should not preclude relief where the junior user's goods are not too different or remote from any that owner would be likely to make or sale; and in the present case, wearing apparel is not so far removed from shoes as to preclude relief, any more than the pancake flour is from syrup or sugar cream, or baking powder from baking soda, or cosmetics and toilet goods from ladies wearing apparel and costume jewelry. More specifically, manufacturers of men's clothing were declared entitled to protection against the use of their trademark in the sale of hats and caps and of ladies' shoes. In all these cases, the courts declared the owner of a trademark from the first named goods entitled to exclude use of its trademark on the related class of goods above referred to.



The law does not require that the articles of manufacture of the previous use and the later user of the mark should possess the same descriptive properties or should fall into the same categories as far as to bar the latter from registering his mark in the principal register. Therefore, whether or not shirts and shoes have the same descriptive properties, or whether or not it is the prevailing practice or the tendency of tailors and haberdashers to expand their business into shoemaking, are not controlling. **The meat of the matter is the likelihood of confusion, mistake or deception upon the purchasers of the goods of the junior users."**

- "14. The registration of the mark **"SMILE Label Mark Variant II"** for goods under Class 19 in the name of Respondent-Applicant will cause grave and irreparable injury and damage to the Opposer, for which reason they oppose said application based on the grounds set forth herein.
- "15. The registration of the mark **"SMILE Label Mark Variant II"** in the name of Respondent-Applicant will violate and contravene the provisions of Section 123.1 of Republic Act No. 8293 ("the IP Code"), as amended, because said mark is confusingly similar to Opposer's registered mark **"SMILE Baby Diapers"**, owned, used and not abandoned by the Opposer as to be likely when applied to or used in connection with the goods of the Respondent-Applicant to cause confusion or mistake, or to deceive the purchasers thereof as to the origin of the goods.
- "16. Respondent-Applicant's application to register the **"SMILE Label Mark Variant II"** is in unfair competition with and an infringement of Opposer's registered trademark as the use of the mark on the goods described in its application clearly violates the exclusive right of the Opposer to said mark.
- "17. The registration of the mark **"SMILE Label Mark Variant II"** in the name of Respondent-Applicant will violate the proprietary rights, interest, business reputation and goodwill of the Opposer trademark, considering that the distinctiveness of said mark will be diluted, thereby causing irreparable injury to the Opposer.



- "18. It is also apparent that the registration of the mark "**SMILE Label Mark Variant II**" in the name of Respondent-Applicant, which mark is confusingly similar to Opposer's registered mark "**SMILE Baby Diapers**" will not only prejudice the Opposer but will also allow the Respondent-Applicant to unfairly benefit from and get a free ride on the goodwill of the Opposer's mark.
- "19. The foregoing premises considered, Respondent-Applicant application for registration of the trademark "**SMILE Label Mark Variant II**" should be rejected. In the case *Chuan Chow Soy & Canning Co., vs. Rosario Villapania*, the Supreme Court ruled:

"When one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this is not only to avoid confusion of the public, but also to protect an already used and registered mark and an established goodwill."

The records will show that on November 28, 2008, Respondent-Applicant received the Notice to Answer issued by the Bureau of Legal Affairs directing them to file a verified answer within thirty (30) days from receipt of said notice or until December 28, 2008. Upon Motion for Extension filed by Respondent-Applicant, the latter was given an additional period of thirty (30) days or until January 27, 2009 within which to file the verified answer, however, despite the lapse of the extended period given to the Respondent-Applicant, said party failed to file the required answer.

Section 11 of the Summary Rules (Office Order No. 79, Series of 2005), provides:

Section 11. ***Effect of failure to file an Answer.*** – In case the Respondent-Applicant fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The issue to be resolved in this particular case is:

"WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "SMILE LABEL MARK VARIANT II."



The applicable provision of the law is Section 123.1 (g) and (h) of Republic Act No. 8293, which provides:

"Sec. 123. Registrability – 123.1. A mark cannot be registered if it:

x

x

x

"(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

(i) The same goods 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;

The Opposer submitted the following in support of its opposition.

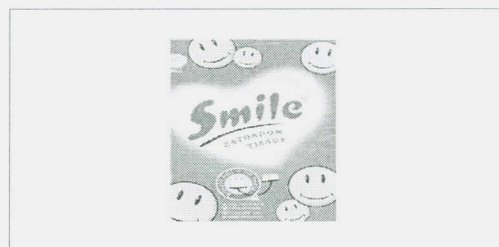
Exhibit	Description
"A"	Special Power of Attorney
"B"	Certified true copy of Certificate of Trademark Registration No. 4-2005-001579
"C"	Affidavit testimony of Opposer's witness Mr. ARVIN U. TING

On the other hand, Respondent-Applicant failed to submit its Verified Answer and likewise submitted no evidence in support of its trademark being opposed.

The contending trademarks are reproduced below for comparison and scrutiny.



Opposer's mark



Respondent-Applicant's mark

The competing trademarks are composite, as they are both composed of several components, however, the dominant feature of the two is the word "**SMILE**" which is identical or the same in **composition, spelling, pronunciation** as well as in **meaning**. It is the component of the contending trademarks that attracts the naked eye at a glance of the purchasers.

In determining whether the two trademarks are confusingly similar, the meaning, spelling and pronunciation of the words used and the setting in which the words appear may be considered.

In the case at bar, the dominant feature of the contending trademarks is the word "**SMILE**" which is the same in spelling, pronunciation and meaning as well, it is so clear that **confusion** exists.

It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary, nor it is necessary that the infringing label should suggest an effort to imitate. The question at issue in cases of infringement of trademarks is whether the use of the marks involved would be likely to cause confusion or mistake in the mind of the public or deceive purchasers. (**Co Tiong Sa vs. Director of Patents, 95 Phil. 1, 4**)

It is worthy to note that the Opposer's trademark "**SMILE Baby Diapers**" has been registered with the Intellectual Property Philippines bearing Registration No. 4-2005-001579 dated July 2, 2007 covering the goods "*baby diapers*" under Class 16 of the International Classification of goods (**Exhibit "B" and "B-1"**).

The Opposer has not abandoned his trademark or use and considering that his trademark is a registered mark, his right to the exclusive use of his mark if Respondent-Applicant's application be approved will be in violation of Section 138 of Republic Act No. 8293, which provides:

"Section 138. Certificates of Registration. - A certificate of registration of a mark shall be **prima facie** evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate."

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As previously pointed out that the Respondent-Applicant's mark is confusingly similar to the registered trademark of the Opposer, the approval of the application in question is contrary to Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines. Likelihood of confusion on the part of the consuming public is bound to occur, as well as confusion of source or origin. Compounding the likelihood of confusion and deception is the fact that the goods upon which Respondent-Applicant's mark are to be used are identical as well as closely related to the goods of the Opposer as it belongs to Class 16 of the International Classification of goods.

WHEREFORE, with all the foregoing, the Opposition is, as it is hereby **SUSTAINED**. Consequently, Application No. 4-2007-001704 filed on February 19, 2007 by "**QUANTA PAPER CORPORATION**" for the registration of the mark "**SMILE Label Mark Variant II**" is, as it is hereby **REJECTED**.

Let the filewrapper of the trademark "**SMILE Label Mark Variant II**" subject matter of this case together with a copy of this **DECISION** be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 19 March 2009.



Atty. **ESTRELLITA BELTRAN ABELARDO**
Director
Bureau of legal Affairs

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