INTELLECTUAL PROPERTY
PHILIPPINES

WHIRLPOOL PROPERTIES, INC.	}	IPC No. 14-2008-00263
Opposer,	}	Opposition to:
	}	
- versus -	}	Serial No. 4-2007-010867
	}	Date Filed: 28 September 2007
RITEWAY DISTRIBUTORS, INC.	}	Trademark: **"WHIRLWIND & Device"**
Respondent-Applicant.	}	
x ---------- x		Decision No. 2009 - 37

DECISION

This pertains to a Verified Opposition filed on 30 October 2008 by herein opposer, Whirlpool Properties, Inc., a foreign corporation duly organized and existing under the laws of the State of Michigan, United States of America with principal office at 500 Renaissance Drive, Suite 101, Saint Joseph, Michigan 49085 U.S.A., against the application filed on 28 September 2007 bearing Serial No. 4-2007-010867 for the registration of the trademark **"WHIRLWIND & Device"** used for goods classified under Class 11 for electric air cooler, which application was published in the Intellectual Property Office Official Gazette and officially released for circulation on 04 July 2008.

The respondent-applicant in this instant opposition is Riteway Distributors, Inc. with registered business address at 107 D. Tuazon St., Brgy. Lourdes, Sta. Mesa Heights, Quezon City.

The following are the grounds for the instant opposition:

"a. Section 147.2 of the IP Code which pertains to the exclusive rights of the owner of a registered trademark;

b. Section 147.2 and related Sections 123.1 (d), 123.1 (e), and 123.1 (f) of the IP Code which relates to Opposer's rights as owner of an earlier registered trademark and as owner of a well-known trademark;

c. Section 168.1 of the IP Code.

d. Section 165 of the IP Code."

The allegation of facts are as follows:

"True Ownership of the WHIRLPOOL trademarks

15. Opposer and the Whirlpool Corporation were the first to use and register in many countries worldwide the "WHIRLPOOL" and "WHIRLPOOL With Swirl & Ring Device" in connection with household appliances and related merchandise.

16. Opposer owns the WHIRLPOOL family of trademarks built around the word mark "WHIRLPOOL, namely, "WHIRLPOOL", "WHIRLPOOL with Swirl & Ring Device" and other variations. To date, Opposer owns over 950 trademark applications and registrations for the WHIRLPOOL trademarks around the world including but not limited to the following countries: Singapore, Australia, Bangladesh, Brazil, Canada, China, Germany, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Saudi Arabia, South Korea, Spain, Taiwan, Thailand, United Arab Emirates, United Kingdom, USA and the Philippines. x x x

17. In the Philippines, Opposer owns eight (8) trademark registrations in connection with goods and services in Classes 7, 9, 11 and 37, x x x

18. The WHIRLPOOL trademarks have been extensively used, marketed and advertised by opposer as well as through Opposer's extensive network of licensees, distributors and dealers on a worldwide basis, including the Philippines. Opposer's "WHIRLPOOL" trademark was first used in the United States America in 1922. The "WHIRLPOOL with Swirl & Ring Device" trademark was first used in the United States America in 1981.

Respondent-Applicant's mark WHIRLWIND & Device is confusingly similar with Opposer's WHIRLPOOL WITH SWIRL & RING DEVICE trademark.

19. Respondent-Applicant's trademark "WHIRLWIND & DEVICE" is clearly confusingly similar with Opposer's registered mark "WHIRLPOOL With Swirl & Ring device". Respondent-Applicant incorporates the word "WHIRL", an important element of Opposer's company name and housemark WHIRLPOOL, and a swirl device which is conveniently located also on top of the letter "W", which is a slavish imitation of the device of opposer. Note should likewise be made that Respondent-Applicant's mark presents the mark by using the first letter "W" in upper case and the rest

of the letters in lowercase, the same manner Opposer's mark is presented. Significantly, both Respondent-Applicant's mark and Opposer's mark are composed of nine (9) letters and contain two (2) syllables. x x x

20. What is more, the respondent-Applicant's mark covers "electric air cooler" in class 11. Considering that Opposer's mark covers air conditioners in class 11, among others, and considering further that Opposer is in the business of manufacturing home appliances, there is a very high possibility that the registration of Respondent-Applicant's mark will cause confusion.

21. With nary a doubt, the manner in which the word "WHIRL" and the swirl device used by Respondent-Applicant will lead to confusion of its goods and business with that of opposer. Riteway imitated the word WHIRL and the swirl device which are dominant features of your client's mark. Indeed, because of the very close resemblance between respondent-Applicant's mark and Opposer's mark, it is also very likely that the public will be confused into thinking that respondent-Applicant's mark is associated with or under the sponsorship of Opposer.

22. There is no denying that Respondent-Applicant is riding on the goodwill and popularity of Opposer's mark, especially since the goods covered are the same. Respondent-Applicant has a boundless choice of words to identify its goods from the Opposer. There is no reason why Respondent-Applicant would choose the mark WHIRLWIND & Device for electric air coolers under class 11 when the same is confusingly similar to the Opposer's mark "WHIRLPOOL With Swirl & Ring Device" which is for goods also under class 11.

23. In addition, by virtue of Opposer's prior and continued use of the mark for almost sixty (60) years, WHIRLPOOL has become well-known and established goodwill among consumers.

24. Indeed, the identity or the confusing similarity between Respondent-Applicant's WHIRLWIND & Device mark and the internationally well-known mark "WHIRLPOOL With Swirl & Ring Device" of Opposer is very likely to deceive the purchasers of goods on which the mark is being used, not only to the origin or sponsorship of goods but also as to the nature, quality, characteristics of the goods to which the mark is affixed.

25. The approval of the subject mark for registration will violate the proprietary rights and interests, business reputation and goodwill of the Opposer considering that the same is confusingly similar, if not identical to Opposer's "WHIRLPOOL With Swirl & Ring Device", a mark that is highly distinctive and over which the Opposer has exclusive use and registration in numerous countries worldwide.

Fame and notoriety of WHIRLPOOL arising from extensive use and advertising and from its overwhelming global patronage.

26. Because of Opposer's and Whirlpool Corporation's aggressive worldwide sales, promotions and advertising Opposer's trademark WHIRLPOOL is not only well-known in the United States of America but in other parts of the world as well.

27. Opposer was able to secure numerous decisions from different jurisdictions worldwide acknowledging and declaring its WHIRLPOOL trademarks as well-known. Certified true copies of the said decisions will be submitted through an Affidavit together with this Verified Notice of Opposition.
x x x

28. Extensive advertising, sale and distribution of Opposer's and Whirlpool Corporation's products bearing the "WHIRLPOOL With Swirl & Ring Device" are achieved through the Internet. Examples of the relevant Internet websites include the following:
x x x

29. In August 2008, the search engine "google" generated 2,520,000 hits for the keyword "WHIRLPOOL APPLIANCES".

30. As a testament to the popularity of WHIRLPOOL and the quality of Whirlpool's business and products, from the years 2005 to 2008 alone, Whirlpool Corporation received numerous awards and recognitions from various countries. x x x

31. Opposer and its affiliate companies have invested substantially in the promotion of its WHIRLPOOL trademarks. x x x

33. Opposer periodically conducts valuation of its trademarks by an

independent consulting company. In the year 2007, the trademark WHIRLPOOL has been valued by an independent valuation company as being worth US $1 Billion.

34. Its main website is www.whirlpool.com wherein orders or purchases for WHIRLPOOL products can be placed. Visits from internet users from all over the world, a significant portion of which from Filipino internet users inter throughout the years are as follows: x x x

35. The fame and well-known status of WHIRLPOOL trademarks are likewise attributed to the legal protection obtained by opposer for the said trademarks in many countries, as well as its efforts at obtaining and maintaining exclusive right to the use and ownership of said trademark. More information about Whirlpool, its products, history and other relevant information about their business are available at the websites: http://www.whirlpool.com and http://www.whirlpoolcorp.com. Visitors to this website include Internet user and customers from all the parts of world including the Philippines. The said website serves as a powerful advertising medium for the WHIRLPOOL trademarks as they are accessible at all times to all customers who patronize WHIRLPOOL branded products. Printouts of the web pages showing the trademark and the products bearing the trademark "WHIRLPOOL" and/or "WHIRLPOOL With Swirl & Ring Device" shall be presented along with the legalized Affidavits and the legalized Notice of Opposition.

The strength of Opposer's rights to the trademark WHIRLPOOL

36. Opposer is the owner of the service marks and trademarks "WHIRLPOOL" and "WHIRLPOOL With Swirl & Ring Device", as well as the domain name, whirlpool.com., and variations thereof. Opposer through its affiliate companies offers a wide variety of products bearing the WHIRLPOOL trademarks.

37. Opposer and its affiliate companies currently own over 950 trademark applications and registrations in more than 100 countries worldwide. A list of all trademark and service mark registrations and applications of owned by Opposer for the trademark "WHIRLPOOL", "WHIRLPOOL With Swirl & Ring Device" and other variations shall be submitted in support of this opposition.

WHIRLPOOL trademark is well-known in the Philippines

38. In the Philippines, the marks "WHIRLPOOL" and "WHIRLPOOL With Swirl & Ring Device" have been registered with the Bureau of Trademarks since 1991. Products bearing the marks have been sold and distributed in the Philippines for a number of years. Home appliance products bearing the mark "WHIRLPOOL" and "WHIRLPOOL with Swirl & Ring Device" have also been widely advertised in the country. Copies of publications and advertisements where the marks "WHIRLPOOL" and "WHIRLPOOL with Swirl & Ring Device shall be submitted in support of this opposition.

39. Whirlpool products are being distributed in the Philippines exclusively by Excellence Appliance Technologies, Inc. ("Exatech. Inc.") with principal address at 22 D. Tuazon St. corner L. Castillo St., Quezon City, Philippines, which also serves as an extensive spare parts center for the repair and maintenance of Whirlpool applicances. Exatech, Inc. maintains a website at http://www.exatech.com.ph.

Legal protection for WHIRLPOOL as a corporate name

40. Whirlpool Corporation has been using "WHIRLPOOL" not only as a trademark but also as a trade name and company name since 1950 and to this day, continues to use the same as its business and trade name in most of its business dealings not only in its country of origin or domicile but in most countries around the world where it has business dealings or transactions. As a trade name, "WHIRLPOOL" is protected under Section 165 of the IP Code, whether or not the same is registered in the Philippines.

41. The trademark subject of this opposition, "WHIRLWIND & Device" is confusingly similar to Opposer's trademark "WHIRLPOOL With Swirl & Ring Device" and is used in connection with goods in the same category for which Opposer uses and licenses its trademark such that if allowed to register, "WHIRLWIND & Device" will likely deceive or cause confusion, in contravention of Section 123.1 (d) of the IP Code.

42. Opposer's 'WHIRLPOOL with Swirl & Ring Device" trademark is well-known internationally and in the Philippines and the registration and use of WHIRLWIND & Device by Respondent-Applicant will falsely indicate a connection between the Opposer's and respondent-Applicant's goods which will result in damage to Opposer in terms of, among others, the whittling away of Opposer's goodwill and the dilution of the rights of

Opposer to its "WHIRLPOOL with Swirl & Ring Device" trademark --- all in contravention of Section 123.1 (e) and 123.1 (f) of the IP Code.

43. As WHIRLPOOL also constitutes opposer's company or trade name which is protected under Section 165 of the IP Code, even without registration, the registration and use of WHIRLWIND in the name of Respondent-Applicant unfairly profiting from the high reputation and goodwill generated by the overwhelming popularity of Opposer's trademark.

Subsequently, this Bureau issued a Notice to Answer dated 19 November 2008 to respondent-applicant, directing the filing of its Answer within thirty (30) days from receipt. Said Notice was duly received by the latter's personnel on 15 December 2008. To this date however, no motion, answer nor any pleading related thereto was filed by respondent-applicant or its agent. Thus, pursuant to Section 11 of Office Order No. 79, series of 2005, this instant opposition case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses and the documentary evidence submitted by herein opposer, consisting of Exhibits "A" to "Y", inclusive of sub-markings.

On 23 January 2009, herein opposer filed a Motion to Submit Case for Decision, after respondent-applicant failed to file a Verified Answer nor an a motion related thereto, within the period allowed under Office Order No. 79, supra. Accordingly, in Order No. 2009-347 dated 16 February 2009, this Bureau granted the same and submitted this instant case for decision on the basis of the opposition, the affidavit of witnesses and the documentary evidence of the opposer.

On 23 February 2009, respondent-applicant through its counsel filed a Manifestation and Motion, praying for the motu propio denial of the instant opposition on the ground that the filing of the said opposition on 30 October 2008 was beyond the period allowed by the Office Order No. 79, supra. Again, in Order No. 2009-439 dated 05 March 2009, this Bureau denied the same and affirming the contested Order.

The issues –

I. Whether or not there is confusing similarity between opposer's registered trademarks **"WHIRLPOOL"** and **"WHIRLPOOL with Swirl & Ring Device";** and respondent-applicant's **"WHIRLWIND and Device".**

II. Whether or not opposer's registered trademarks **"WHIRLPOOL"** and **"WHIRLPOOL with Swirl & Ring Device"** are well-known marks.

The pertinent provision of the law reads as follows:

> "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 a 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;**
>
> x x x
>
> (Emphasis Supplied)

In a contest involving registration of trademark, the determinative factor is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public.

It does not require that the competing trademarks must be so identical as to produce actual error or mistake. It is rather sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

The existence of confusion of trademark or the possibility of deception to the public hinges on "*colorable imitation*", which has been defined as "such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article." **(Emerald Garment Mfg. Corp.**

v Court of Appeals, 251 SCRA 600)

Thus, in resolving the issue of confusing similarity, the law and jurisprudence has developed two kinds of tests – the *Dominancy Test* as applied in a litany of Supreme Court decisions including **Asia Brewery, Inc. v Court of Appeals, 224 SCRA 437; Co Tiong v Director of Patents, 95 Phil. 1; Lim Hoa v Director of Patents, 100 Phil. 214; American Wire & Cable Co. v Director of Patents, 31 SCRA 544; Philippine Nut Industry, Inc. v Standard Brands, Inc., 65 SCRA 575; Converse Rubber Corp. v Universal Rubber Products, Inc., 147 SCRA 154;** and the *Holistic Test,* as developed in **Del Monte Corporation v Court of Appeals, 181 SCRA 410; Mead Johnson & Co. v N.V.J. Van Dorp, Ltd., 7 SCRA 771; Fruit of the Loom, Inc. v Court of Appeals, 133 SCRA 405.**

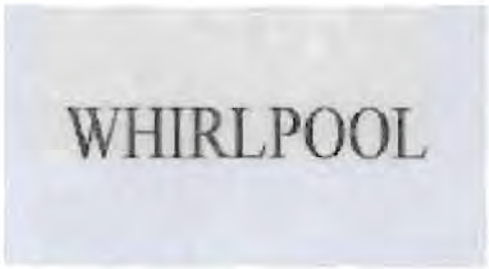
As its title implies, the Test of Dominancy focuses on the similarity of the prevalent features, or the main, essential and dominant features of the competing trademarks which might cause confusion or deception.

On the other side of the spectrum, the Holistic Test, in the case of **Mighty Corporation v E & J Gallo Winery, 434 SCRA 473**, so holds that, "the discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

The Honorable Supreme Court has consistently relied on the *Dominancy Test* in determining questions of infringement of trademark, as enunciated in the land mark case of **Mc Donald's Corporation v LC Big Mak, 437 SCRA 10**, to wit:

> "This Court, however, has relied on the dominancy test rather than the holistic test. The dominancy test considers the dominant features in the competing marks in determining whether they are confusingly similar. Under the dominancy test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences. Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets and market segments."

After an in-depth perusal of the records, including the file wrapper and the evidence submitted by herein opposer, this Bureau finds merit in the instant opposition. A side by side comparison of the contending trademarks are reproduced hereunder:



Opposer's Trademark Registrations

Respondent-Applicant's Trademark

An examination of the foregoing marks shows that respondent-applicant's applied trademark "WHIRLWIND & Device" nearly resembles opposer's registered trademarks "WHIRLPOOL", "WHIRLPOOL with Swirl & Ring Device", in several aspects: sound, appearance and in meaning.

The dominant element of the marks is the word "WHIRL" which is identical in visual and aural presentation, with the letter "W" in upper case and the remaining letters in lower case. The device of opposer which is a representation of a swirl and that of respondent-applicant which is a representation of a tornado, appears the same. Its location in the upper left portion of the letter "W" and its actual picture as depicted above shows the likelihood of similarity.

The second words "pool" and "wind" of opposer and respondent-applicant's trademarks respectively are different and has different meanings, however they have complementing definitions when taken in their entirety. The word "whirl" means to move circularly and rapidly in varied and random directions (http//www.thefreedictionary.com). The word "whirlpool" means a rapidly rotating current of water; whereas, the word "whirlwind" refers to a rapidly rotating air or tornado, dust or water spout. (http//www.thefreedictionary.com).

Moreover, the goods covered by the competing trademarks cover the same classification of goods. Opposer's evidence of its trademark registrations in the Philippines show that its marks cover classes 7, 9, 11 and 37, including air conditioners. Respondent-applicant's applied mark on the other hand covers class 11 particularly electric air cooler. Obviously, they are related not only in classification of goods but likewise in nature, purpose, and channels of trade. It has been held that "goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores." **(2 Callman, Unfair Competition and Trademarks, p. 1257)** This probable confusion of goods would even indicate a connection leading to possible confusion of source or origin of goods. The doctrine of confusion of origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one's business reputation confused with another. "The owner of a trademark or trade name 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. x x x" **(Ang vs Teodoro, 74 Phil. 50)**

In relation to opposer's Certificates of Registration for its marks "WHIRLPOOL", "WHIRLPOOL with Swirl & Ring Device" Section 138, supra., provides that a certificate of registration is *prima facie* evidence of the validity of registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods and those that are related thereto specified in the certificate.

On the second issue, opposer seeks the declaration of its marks as well-known, evidenced by (1) worldwide Certificates of Registration (Exhibits "C" to "C-1" to "C-44", "P" to "P-7") including Australia, China, European, Union, India, Malaysia, New Zealand, Singapore, Thailand, United Kingdom, United States of America and the Philippines; (2) list of all trademark and service mark registrations and applications for its mark (Exhibit "D"); (3) Decisions rendering opposer's mark as well-known (Exhibits "E" and "F" with sub-markings); (4) advertisements and

sales locally (Exhibits "H", "I", "J", "K", "V", "W", "X" and "Y" with sub-markings); (5) global advertisements (Exhibits "G", "Q", "R", "S" and "T" with sub-markings.

Opposer has submitted eloquent proof to substantiate its allegations that its marks "WHIRLPOOL" and "WHIRLPOOL with Swirl & Ring Device, as registered in the Philippines and in other countries has actually gained and enjoyed a worldwide reputation, pursuant to Section 123.1 (e), supra. and after sufficiently meeting majority of the criteria listed in the **Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers**, particularly **Rule 102**, to wit:

> "Rule 102. Criteria for determining whether a mark is well-known. - In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:
>
> (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
>
> (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
>
> (c) the degree of the inherent or acquired distinction of the mark;
>
> (d) the quality-image or reputation acquired by the mark;
>
> (e) the extent to which the mark has been registered in the world;
>
> (f) the exclusivity of registration attained by the mark in the world;
>
> (g) the extent to which the mark has been used in the world;
>
> (h) the exclusivity of use attained by the mark in the world;
>
> (i) the commercial value attributed to the mark in the world;
>
> (j) the record of successful protection of the rights in the mark;
>
> (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and

(l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark."

Therefore, opposer's registered trademarks in the Philippines are hereby declared as well-known marks.

WHEREFORE, the Notice of Opposition is hereby **SUSTAINED**. Consequently, application bearing Serial No. 4-2007-010867 filed by respondent-applicant Riteway Distributors, Inc. on 28 September 2007 for the registration of the mark "WHIRLWIND & Device" used under Class 11 of the Nice Classification of Goods, for electric air cooler is, as it is, hereby **REJECTED.**

Let the file wrapper of "WHIRLWIND & Device", 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, 17 March 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs