

CATERPILLAR, INC.,
Opposer,

-versus-

CAT REALTY CORPORATION,
Respondent-Applicant.

IPC No. 14-2013-000246

Opposition to:
Appl. Ser. No. 4-2012-004151
Date Filed: 03 April 2012
TM: CAT REALTY
CORPORATION

Order No. 2017- 1363

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ORDER

On 13 June 2017, this Bureau promulgated Decision No. 2017- 223 of this case. However, upon review of the Decision, it appears that the Hearing Officer inadvertently committed error in the dispositive portion of the decision. Instead of sustaining the opposition, which was the finding of the Hearing Officer as reflected in the body of the decision, the case was dismissed. In view thereof, the dispositive portion of the Decision which states:

"WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2012-004151, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action."

be *rectified and corrected* as follows:

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2012-004151, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 June 2017.

MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

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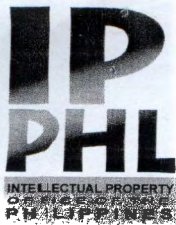
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DARCEE LOIS B. GALLEON
June 30, 2017

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NOTICE OF DECISION

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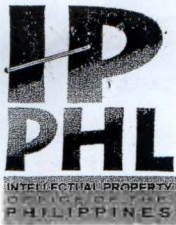
GREETINGS:

Please be informed that Decision No. 2017 - 223 dated 13 June 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 14 June 2017.

[Signature]
MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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IPC No. 14-2013-00246
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NOTICE OF DECISION

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DARCEE LOPEZ B. GALLEON
JUNE 30, 2017

GREETINGS:

Please be informed that Decision No. 2017 - 223 dated 13 June 2017 (copy enclosed) was promulgated in the above entitled case.

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Taguig City, 14 June 2017.

Marilyn F. Retual
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IPRS IV
Bureau of Legal Affairs

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"e. Visually, the dominant element of Respondent-Applicant's CAT REALTY mark is confusingly similar to Opposer's CAT Core Marks. This is apparent from a comparison of the marks:

x x x

[T]he dominant element of the Respondent-Applicant's CAT REALTY mark is confusingly similar with the Opposer's CAT Core Marks. In fact, the Respondent-Applicant's CAT REALTY mark completely appropriates the Opposer's well-known 'CAT' and 'CAT & DESIGN' trademarks.

"f. The fact that the Respondent-Applicant's mark is a 'word and device' mark is of minimal significance. It has been held that combination marks, i.e., marks that consist partly of word elements and partly of device elements, such as Respondent-Applicant's mark, generally, the word portion is the most important in determining the issue of likelihood of confusion since it is most likely to be impressed upon the purchaser's memory and to serve as indicium of origin, and since it is this portion of the mark purchasers refer to when ordering goods. The foregoing rings true in the present case, especially as the services of the Opposer and the Respondent-Applicant would both be referred to as 'CAT' services.

"g. The dominant and sole distinctive aural element in the Respondent-Applicant's mark, which is the 'CAT' word mark, when read aloud, is phonetically identical to the Opposer's 'CAT' and 'CAT & DESIGN' marks, which alone constitutes sufficient ground for the Honorable Office to rule that the marks are confusingly similar.

"h. The Respondent-Applicant's mark is intended for class 35 services, under which the Opposer's marks are used, registered and applied for registration. This results in a mark that is confusingly similar to the Opposer's well-known and registered CAT Core Marks, as to be likely to deceive consumers by suggesting a connection, association, relationship, sponsorship or affiliation with the Opposer, when none exists.

"i. It must also be noted that some of Opposer's registered CAT Core Marks are word marks, which, as this Honorable Office will note, do not bear or claim to have any distinctive feature, stylized depiction of the marks, nor claims of color, thus affording the Opposer the broadest amount of protection under the IP Code. A word mark may be protected against infringers who imitate substantial components of the mark, no matter how the infringing mark is depicted. Hence, surrounded by a device or followed by a non-dominant word xxx is not reason enough to distinguish it from the Opposer's 'CAT' trademarks as to negate the presence of confusing similarity.

"j. Hence, the registration of the Respondent-Applicant's mark in connection with the services under Class 35 will confuse consumers into believing that the Respondent-Applicant's mark originates and/or is sourced from the Opposer, or is otherwise sponsored by or associated with the Opposer.

"k. All of the foregoing support a finding of sufficient similarity of the Respondent-Applicant's mark with the Opposer's CAT Core Marks. There appears to be a studied attempt to copy the Opposer's well-known and registered CAT Core Marks, and ride on the goodwill it has created through the decades of continuous use.

By suggesting a connection, association or affiliation with the Opposer, when there is none, the Respondent-Applicant will no doubt cause confusion among the minds of the general public and substantial damage to the goodwill and reputation associated with the CAT Core Marks, as well as the Opposer's own business reputation.

"l. Additionally, the CAT REALTY mark application also infringes on the trade name of the Opposer, as the Opposer is also famously known simply as 'CAT'. As a trade name, the 'CAT' component of the Opposer's name is also protected by law. Under Section 165.2 of Republic Act 8293, it provided that:

x x x

The component 'CAT' in the Respondent-Applicant's mark also forms part of the domain name of the Opposer, www.cat.com, which the Respondent-Applicant may likewise not copy.

"m. The Opposer has also used and registered the CAT Core Marks in other countries which thereby classifies the CAT Core Marks as registered and well-known trademarks, both internationally and in the Philippines.

As such, the Opposer is entitled to a wide scope of protection under Philippine law and to protect its CAT Core Marks against marks that are liable to create confusion in the minds of the public or used in bad faith under Article 6bis of the Paris Convention, thus:

x x x

"n. If allowed to proceed to registration, the consequent use of the Respondent-Applicant's mark will amount to unfair competition with and dilution of the Opposer's CAT Core Marks, which have attained valuable goodwill and reputation through decades of extensive and exclusive use. This is prohibited under Section 168 of the IP Code.

The Opposer's goodwill is a property right separately protected under Philippine law, and a violation thereof amounts to downright unfair competition proscribed under Article 10bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code:

x x x

"o. The registration of the Respondent-Applicant's mark will work to impede the natural expansion of the Opposer's use of the CAT Core Marks in the Philippines.

"p. The registration and consequent use by the Respondent-Applicant mark will result in a confusion of source or reputation, which is proscribed under the IP Code and applicable precedents.

"q. Other provisions of the IP Code and related international agreements or conventions on the subject of intellectual property rights warrant the denial by this Honorable Office of the Respondent-Applicant's trademark application."

The Opposer's evidence consists of the following:

1. Supporting Affidavit of Christina Marie Gensler;
2. Photos of Opposer's mining and construction equipments, diesel and natural engines and industrial gas turbines;
3. Photocopies of promotional materials, product catalogues, support materials, price lists and forms used by the Company for its equipments and other products;
4. Web extracts of some internet articles about Opposer and its products;
5. Webpage extracts from <http://www.cat.com/news-and-events> regarding Opposer's awards and recognition and other articles;
6. Summary of various trademark registrations for the marks CATERPILLAR and CATERPILLAR & DESIGN;
7. Summary of various trademark registrations for the marks CAT and CAT & DESIGN;
8. Copies of favorable rulings that Opposer obtained abroad;
9. Supporting Affidavit of Atty. Bienvenido Marquez III;
10. Photocopy of the Special Power of Attorney;
11. Photocopies of sample registrations for the mark CATERPILLAR, CAT, CATERPILLAR AND DESIGN and CAT & DESIGN in other countries;
12. Photocopies of sample registrations for the mark CATERPILLAR, CAT, CATERPILLAR AND DESIGN and CAT & DESIGN in the Philippines;
13. Photocopies of sample application for the mark CATERPILLAR, CAT, CATERPILLAR AND DESIGN and CAT & DESIGN in the Philippines;
14. Photocopy of the Philippine Patent Office Decision No. 728, issued on 8 August 1973;
15. Photocopy of Decision No. 2013-46 in the case entitled Manolo P. Samson v. Caterpillar, Inc. under IPC No. 14-2002-0085;
16. Photocopy of Decision No. 2013-59 in the case entitled Manolo P. Samson v. Caterpillar, Inc. under IPC No. 14-2002-0086; and
17. Certificate of Power of Attorney in favor of Atty. Bienvenido Marquez III.

This Bureau issued on 06 September 2013, a Notice to Answer and served it personally to Respondent-Applicant on 13 September 2013. However, despite receipt of the Notice, Respondent-Applicant failed to file the Answer. On 06 January 2014, Respondent was declared in default for failure to file the Answer. A Motion to Set Aside The Order of Default was filed on 23 January 2014. After consideration, the Motion was denied through Order No. 2016-1063. Hence, the case is now submitted for resolution on the basis of the opposition, affidavits of witnesses, if any, and other documentary evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the mark "CAT REALTY CORPORATION"?

Opposer anchors its opposition on Section 123.1 (d), (e) and (f) of Republic Act No. 8293, also known as the "Intellectual Property Code of the Philippines" (IP Code) which provides, to wit:

Section 123.Registrability. - 123.1. A mark cannot be registered if it:

(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

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use.

Explicit from the above provision of the IP Code that whenever a mark subject of an application for registration, resembles another mark, which has been registered or has an earlier filing or priority date, or to a well-known mark, said mark cannot be registered.

Records will show that at the time Respondent-Applicant filed its application for registration of the herein subject mark, Opposer already has an existing registration for the mark CAT way back in July 1995. Opposer also has registered its CAT & Design mark sometime in 2007. As such, pursuant to Section 138 of the IP Code, being a holder of a certificate of registration, such "certificate of registration is a prima facie evidence of the registrant's ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto."



But does the mark of Respondent-Applicant resembles that of Opposer so as to likely cause confusion, mistake or deception on the part of the public? To appreciate the marks of the parties, we have reproduced them below:

CAT



Opposer's Marks



CAT REALTY CORPORATION

Respondent-Applicant's Mark

A scrutiny of the marks of the parties would show that they both contain the word CAT. The word "CAT" is itself the mark of the Opposer. On the other hand, Respondent-Applicant's mark consists of the words "CAT REALTY CORPORATION" with a device that consists of the a sugar mill's roof and smokestack. While other elements differentiates Respondent-Applicant's mark from that of Opposer's, it does not, however, escape a finding of confusing similarity with Opposer's mark. First, it must be pointed out that in the application for registration of Respondent-Applicant's mark the words "REALTY CORPORATION" was disclaimed. A disclaimer indicates that a registrant or applicant does not claim an exclusive right to the specified element(s) of the mark by itself. It also enables the registration of a mark that is registerable as a whole, but contains matter that would not be registerable by itself. As such, Respondent-Applicant seek exclusive use of the word "CAT" and how the composite mark appears as a whole. Accordingly, the main feature of the Respondent-Applicant's mark is the word "CAT" which makes it confusingly similar to Opposer's mark "CAT". While Respondent-Applicant's mark contains a device, their similarity is more appreciable than their difference because what sticks to the mind of the consumer is the word "CAT" and not the device or other illustrations included in the mark. Second, a scrutiny of the IPOPHIL's Trademark Database would show that Opposer registered variation of its CAT mark, such as the following:



The above marks show that Opposer's CAT mark is not limited to word marks. To allow the continued use and registration of the Respondent-Applicant's mark would likely cause



confusion on the part of the public that Respondent-Applicant's mark is also a variation of Opposer's CAT marks. Third, as to the goods/services of the parties, Opposer has registered and applied for registration of its CAT marks in various classes of goods that covers Respondent-Applicant's goods such that it may cause confusion on the part of the public that the goods of Respondent-Applicant is also sourced or originated from Opposer or that any information or impression on the quality of Respondent-Applicant's goods may be unfairly attributed to Opposer's. Finally, Respondent-Applicant as a realty company, may have been familiar or have come across Opposer's business which is related to sale and rental of heavy equipments that are used in realty development and other business of similar nature, in the course of its business. Yet, despite such presumed knowledge of Opposer and its products or services, Respondent-Applicant still adopted or copied a similar mark as that of Opposer by using the "CAT" word.

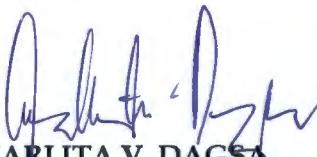
As aptly enunciated by the Supreme Court in one case: "A boundless choice of words or phrases is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive."⁴

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁵ This Bureau finds that the Respondent-Applicant's mark does not meet this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2012-004151, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 13 JUN 2017


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

⁴ *Converse Rubber Corporation vs. Universal Rubber Products, Inc.*, G.R. No. L-27906. January 8, 1987.

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.