

FIRST DIVISION

[CA-G.R. SP No. 131908, December 15, 2014]

**ABBOTT LABORATORIES, PETITIONER, VS. VINCENT S. CHAN,
RESPONDENT.**

D E C I S I O N

BRUSELAS, JR. J.:

This is a petition for review under Rule 43 of the Rules of Court that seeks to set aside the *Decision*^[1] of the Director General of the Intellectual Property Office (IPO) that sustained the earlier *Decision*^[2] of the Director of Bureau of Legal Affairs (BLA) which dismissed the opposition of herein petitioner Abbott Laboratories to the trademark application of herein respondent Vincent S. Chan.

In the assailed decision, the Director General held:

"WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision and the records of this case be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED."^[3]

On 21 December 2010, the respondent filed an application for the registration of the mark "**Eye Q**" to be used on "*pencils, crayon, water and poster color, rulers, scissors, punchers, staplers, templates, artist brush, chalk, coloring paint, sharpeners, pens, adhesive, fastener, expanding file, paper clips, stamp pad, plastic material for packaging, blades, staple wire, dater, numbering machine*" under Class 16 of the Nice International Classification^[4] and was docketed as Trademark Application No. 4-2010-013859.

Upon publication of the respondent's application, the petitioner filed a verified *Notice of Opposition*^[5] where it claimed that it was the prior user and the first registrant of the "EYE-Q" trademarks in the Philippines. The petitioner sought the denial of the respondent's trademark application on the ground that the respondent's mark "**Eye Q**" is confusingly similar, if not identical, to its registered "EYE-Q" trademarks and so, it would violate paragraphs (d), (e), (f) and (g) of Section 123.1 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines, (IP Code). The petitioner further argued that the respondent's registration of "**Eye Q**" for goods

under class 16 would likely cause confusion, mistake and deception to the purchasing public. Finally, it asserted that the mark "**Eye Q**" is visually and aurally similar to its own mark such that the registration and use of the respondent's applied mark will enable it to obtain benefit from the petitioner's reputation and goodwill which will lead the public into believing that the respondent is, in any way, connected to the petitioner.

Petitioner Abbott's mark

EYE-Q

(font is times new roman; font size is 18; colors are black & white; all letters are in uppercase and there's a dash in between EYE and Q.)^[6]

Respondent Chan's mark

Eye Q

(font is rockwell extra bold; font sizes are 18 and 24; color is red; only letters E and Q are in uppercase; no dash in between the two letters)^[7]

The BLA issued a *Notice to Answer* and served a copy of the same upon the respondent but the latter did not file an *Answer*, and thus, the case was submitted for decision.

On 10 August 2012, the BLA dismissed the petitioner's opposition. The Director noted that while the respondent's mark "**Eye Q**" was identical to the petitioner's mark "EYE-Q," the goods covered by the two marks were neither the same nor closely related, and so, there could not be any confusing similarity between the mark of the petitioner and that of the respondent. He added that there was no commonality as to composition, purpose, and/or use between the goods of the petitioner and that of the respondent's. Thus, there was no reason to believe that the respondent's use of the mark "**Eye Q**" would indicate a connection between its goods and that of the petitioner's. The BLA therefore held:

"WHEREFORE, premises considered, the opposition is hereby DISMISSED. Let the file wrapper of Trademark Application Serial No. 4-2010-013859 be returned, together with a copy of this Decision, to the Bureau of Trademark for information and appropriate action.

SO ORDERED."^[8]

Dismayed, the petitioner filed an appeal^[9] with the Director General of the IPO. It insisted that the respondent trademark application should be denied because the latter's mark "**Eye Q**" is both visually and aurally, confusingly similar and identical to that of the former. Relying heavily on ***Dermaline, Inc. v. Myra Pharmaceuticals, Inc.***,^[10] it asserted that the respondent's use of "**Eye Q**" would result to a confusion of businesses between it and that of the respondent's where it might be reasonably assumed that the goods of the respondent originated from it. Applying

the second type of confusion, that is, "confusion of business," mentioned in ***Dermaline, Inc.***, it posited that there can be confusing similarity between competing marks even though the goods for which they are registered or applied for belong to different classes. It further claimed that since its mark is an internationally well-known mark, it can be assumed that the respondent was riding on the goodwill of its mark resulting to its own detriment and damage.

Because the respondent failed to submit its *Comment*, the appeal was deemed submitted for decision.

As with the BLA, the Director General also found that the competing marks were not confusingly similar. While the competing marks were obviously identical in all aspects of their visual presentation, he agreed with the BLA that the respondent's goods were neither identical nor similar, not even closely related, to that of the petitioner. He opined that the resemblance between the competing marks could not cause confusion or deception to the purchasing public because the parties use their respective marks on different and unrelated goods, and so, confusion, mistake or deception is unlikely. Furthermore, he rejected the petitioner's contention that the principle of normal expansion of business applies because the petitioner failed to explain why dealing with office supplies can be considered a normal expansion of its infant formula business. Finally, he did not dwell on the petitioner's claim that its mark is a well-known mark because under Section 123. 1, paragraphs (e) and (f) of the IP Code, the protection given to well-known marks applies only when the marks are confusingly similar, used on identical or similar goods or services, or if not similar, would indicate a connection between the parties and the goods or services, and where the owner of the well-known mark will be damaged. In the case of the petitioner, he noted that the petitioner failed to demonstrate a connection or damage to its marks that would arise from the respondent's use of "**Eye Q.**"

Not satisfied, the petitioner filed the instant petition for review. Except for the newly-raised argument that its "EYE-Q" mark is a fanciful mark that enjoys protection even to unrelated goods, the petitioner simply reiterates its assertions in its earlier appeal to the Director General.

In his *Comment to Petition*,^[11] the respondent counters that if the mark "EYE-Q" is a fanciful mark that should be accorded the highest form of protection, the petitioner should have already stopped applying for the said trademark in different forms and variations. He posits that his use of the mark "**Eye Q**" will not create any confusion with the mark of the petitioner because his products are entirely different from that of the petitioner as found by the Director General. He also avers that when he applied for the registration of the mark "**Eye Q,**" he made it in good faith because he had no knowledge that a similar word had already been registered in favor of the petitioner. Thus, he concludes that it is wrong for the petitioner to assume that he is riding on the goodwill of the petitioner's mark.

In its *Reply*,^[12] the petitioner maintains that its filing of multiple fanciful trademark applications that are similar in nature serves to strengthen its ownership over such mark.

We find no merit in the instant petition for review.

The petitioner's opposition is anchored on paragraphs (d) to (g) of Section 123.1 of the IP Code which provide that 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;

(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;

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

It cannot be gainsaid that the petitioner's mark "EYE-Q" and the respondent's mark "**Eye Q**" are identical. It is also undisputed that the petitioner had registered in the Philippines the mark "EYE-Q" and its variations, prior to the filing of the respondent's trademark application. The petitioner's registrations, however, are for goods under class 5^[13] (infant formula, ingredients for infant formula) while the respondent's application for trademark "**Eye Q**" is for goods under class 16^[14] (pencils, crayon, water and poster color, rulers, scissors, punchers, staplers, templates, artist brush, chalk, coloring paint, sharpeners, pens, adhesive, fastener, expanding file, paper clips, stamp pad, plastic material for packaging, blades, staple wire, dater, numbering machine). Since the goods of the petitioner and the respondent are not identical or similar, the latter's trademark application for "**Eye Q**"