

THIRD DIVISION

[G.R. No. 139300, March 14, 2001]

**AMIGO MANUFACTURING, INC., PETITIONER, VS. CLUETT
PEABODY CO., INC., RESPONDENT.**

DECISION

PANGANIBAN, J.:

The findings of the Bureau of Patents that two trademarks are confusingly and deceptively similar to each other are binding upon the courts, absent any sufficient evidence to the contrary. In the present case, the Bureau considered the totality of the similarities between the two sets of marks and found that they were of such degree, number and quality as to give the overall impression that the two products are confusingly if not deceptively the same.

Statement of the Case

Petitioner Amigo Manufacturing Inc. challenges, under Rule 45 of the Rules of Court, the January 14, 1999 Resolution^[1] of the Court of Appeals (CA) in CA-GR SP No. 22792, which reversed, on reconsideration, its own September 29, 1998 Decision.^[2] The dispositive portion of the assailed Resolution reads as follows:

"WHEREFORE, the Motion for Reconsideration is GRANTED, and the Decision dated September 29, 1998 REVERSED. Consequently, the decision rendered by the Director of Patents dated September 3, 1990 is hereby AFFIRMED."

The Decision of the Director of Patents, referred to by the CA, disposed as follows:

"WHEREFORE, the Petition is GRANTED. Consequently, Certificate of Registration No. SR-2206 issued to Respondent-Registrant [herein petitioner] is hereby cancelled.

"Let the records of this case be remanded to the Patent/Trademark Registry and EDP Division for appropriate action in accordance with this Decision."

Petitioner also seeks the reversal of the June 30, 1999 CA Resolution^[3] denying its own Motion for Reconsideration.

The Facts

The facts, which are undisputed, are summarized by the Court of Appeals in its original Decision, as follows:

"The source of the controversy that precipitated the filing by [herein Respondent] Cluett Peabody Co., Inc. (a New York corporation) of the present case against [herein Petitioner] Amigo Manufacturing Inc. (a Philippine corporation) for cancellation of trademark is [respondent's] claim of exclusive ownership (as successor in interest of Great American Knitting Mills, Inc.) of the following trademark and devices, as used on men's socks:

- a) GOLD TOE, under Certificate of Registration No. 6797 dated September 22, 1958;
- b) DEVICE, representation of a sock and magnifying glass on the toe of a sock, under Certificate of Registration No. 13465 dated January 25, 1968;
- c) DEVICE, consisting of a 'plurality of gold colored lines arranged in parallel relation within a triangular area of toe of the stocking and spread from each other by lines of contrasting color of the major part of the stocking' under Certificate of Registration No. 13887 dated May 9, 1968; and
- d) LINENIZED, under Certificate of Registration No. 15440 dated April 13, 1970.

On the other hand, [petitioner's] trademark and device 'GOLD TOP, Linenized for Extra Wear' has the dominant color 'white' at the center and a 'blackish brown' background with a magnified design of the sock's garter, and is labeled 'Amigo Manufacturing Inc., Mandaluyong, Metro Manila, Made in the Philippines'.

In the Patent Office, this case was heard by no less than six Hearing Officers: Attys. Rodolfo Gilbang, Rustico Casia, M. Yadao, Fabian Rufina, Neptali Bulilan and Pausi Sapak. The last named officer drafted the decision under appeal which was in due court signed and issued by the Director of Patents (who never presided over any hearing) adversely against the respondent Amigo Manufacturing, Inc. as heretofore mentioned (supra, p.1).

The decision pivots on two point: the application of the rule of idem sonans and the existence of a confusing similarity in appearance between two trademarks (Rollo, p. 33)."^[4]

Ruling of the Court of Appeals

In its assailed Resolution, the CA held as follows:

"After a careful consideration of [respondent's] arguments and a re-appreciation of the records of this case. [w]e find [respondent's] motion for reconsideration meritorious. As shown by the records, and as correctly held by the Director of Patents, there is hardly any variance in the appearance of the marks 'GOLD TOP' and 'GOLD TOE' since both show a representation of a man's foot wearing a sock, and the marks are printed in identical lettering. Section 4(d) of R.A. No. 166 declares to be

unregistrable, `a mark which consists o[r] comprises a mark or trademark which so resembles a mark or tradename registered in the Philippines of tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive the purchasers. [Petitioner]'s mark is a combination of the different registered marks owned by [respondent]. As held in Del Monte Corporation v. Court of Appeals, 181 SCRA 410 (1990), the question is not whether the two articles are distinguishable by their label when set aside but whether the general confusion made by the article upon the eye of the casual purchaser who is unsuspecting and off his guard, is such as to likely result in confounding it with the original. As held by the Court in the same decision[,] `The most successful form of copying is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts.' Furthermore, [petitioner]'s mark is only registered with the Supplemental Registry which gives no right of exclusivity to the owner and cannot overturn the presumption of validity and exclusiv[ity] given to a registered mark.

"Finally, the Philippines and the United States are parties to the Union Convention for the Protection of Industrial Property adopted in Paris on March 20, 1883, otherwise known as the Paris Convention. (Puma Sportschuhfabriken Rudolf Dassler K.G. v. Intermediate Appellate Court, 158 SCRA 233). [Respondent] is domiciled in the United States of America and is the lawful owner of several trademark registrations in the United States for the mark `GOLD TOE'.

x x x x x x x x'

By virtue of the Philippines' membership to the Paris Union, trademark rights in favor of the [respondent] were created. The object of the Convention is to accord a national of a member nation extensive protection against infringement and other types of unfair competition. (Puma Sportschuhfabriken Rudolf Dassler K.G. v. Intermediate Appellate Court, 158 SCRA 233; La Chemise Lacoste, S.A. v. Fernandez, 129 SCRA 373)"^[5]

Hence, this Petition.^[6]

Issues

In its Memorandum,^[7] petitioner raises the following issues for the consideration of this Court:

"I

Whether or not the Court of Appeals overlooked that petitioner's trademark was used in commerce in the Philippines earlier than respondent's actual use of its trademarks, hence the Court of Appeals erred in affirming the Decision of the Director of Patents dated

September 3, 1990.

II

Since the petitioner's actual use of its trademark was ahead of the respondent, whether or not the Court of Appeals erred in canceling the registration of petitioner's trademark instead of canceling the trademark of the respondent.

III

Whether or not the Court of Appeals erred in affirming the findings of the Director of Patents that petitioner's trademark [was] confusingly similar to respondent's trademarks.

IV

Whether or not the Court of Appeals erred in applying the Paris Convention in holding that respondent ha[d] an exclusive right to the trademark 'gold toe' without taking into consideration the absence of actual use in the Philippines."^[8]

In the main, the Court will resolve three issues: (1) the date of actual use of the two trademarks; (2) their confusing similarities, and (3) the applicability of the Paris Convention.

The Court's Ruling

The Petition has no merit.

First Issue:

Dates of First Use of Trademark and Devices

Petitioner claims that it started the actual use of the trademark "Gold Top and Device" in September 1956, while respondent began using the trademark "Gold Toe" only on May 15, 1962. It contends that the claim of respondent that it had been using the "Gold Toe" trademark at an earlier date was not substantiated. The latter's witnesses supposedly contradicted themselves as to the date of first actual use of their trademark, coming up with different dates such as 1952, 1947 and 1938.

We do not agree. Based on the evidence presented, this Court concurs in the findings of the Bureau of Patents that respondent had actually used the trademark and the devices in question prior to petitioner's use of its own. During the hearing at the Bureau of Patents, respondent presented Bureau registrations indicating the dates of first use in the Philippines of the trademark and the devices as follows: a) March 16, 1954, Gold Toe; b) February 1, 1952, the Representation of a Sock and a Magnifying Glass; c) January 30, 1932, the Gold Toe Representation; and d) February 28, 1952, "Linenized."

The registration of the above marks in favor of respondent constitutes *prima facie* evidence, which petitioner failed to overturn satisfactorily, of respondent's ownership

of those marks, the dates of appropriation and the validity of other pertinent facts stated therein. Indeed, Section 20 of Republic Act 166 provides as follows:

"Sec. 20. Certificate of registration prima facie evidence of validity. - A certificate of registration of a mark or trade-name shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or trade-name, and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein."^[9]

Moreover, the validity of the Certificates of Registration was not questioned. Neither did petitioner present any evidence to indicate that they were fraudulently issued. Consequently, the claimed dates of respondent's first use of the marks are presumed valid. Clearly, they were ahead of petitioner's claimed date of first use of "Gold Top and Device" in 1958.

Section 5-A of Republic Act No. 166^[10] states that an applicant for a trademark or trade name shall, among others, state the date of first use. The fact that the marks were indeed registered by respondent shows that it did use them on the date indicated in the Certificate of Registration.

On the other hand, petitioner failed to present proof of the date of alleged first use of the trademark "Gold Top and Device". Thus, even assuming that respondent started using it only on May 15, 1962, we can make no finding that petitioner had started using it ahead of respondent.

Furthermore, petitioner registered its trademark only with the supplemental register. In *La Chemise Lacoste v. Fernandez*,^[11] the Court held that registration with the supplemental register gives no presumption of ownership of the trademark. Said the Court:

"The registration of a mark upon the supplemental register is not, as in the case of the principal register, prima facie evidence of (1) the validity of registration; (2) registrant's ownership of the mark; and (3) registrant's exclusive right to use the mark. It is not subject to opposition, although it may be cancelled after its issuance. Neither may it be the subject of interference proceedings. Registration [i]n the supplemental register is not constructive notice of registrant's claim of ownership. A supplemental register is provided for the registration because of some defects (conversely, defects which make a mark unregistrable on the principal register, yet do not bar them from the supplemental register.)' (Agbayani, II Commercial Laws of the Philippines, 1978, p. 514, citing *Uy Hong Mo v. Titay & Co., et al.*, Dec. No. 254 of Director of Patents, Apr. 30, 1968."

As to the actual date of first use by respondent of the four marks it registered, the seeming confusion may have stemmed from the fact that the marks have different dates of first use. Clearly, however, these dates are indicated in the Certificates of Registration.

In any case, absent any clear showing to the contrary, this Court accepts the finding of the Bureau of Patents that it was respondent which had prior use of its