

**FORBES, MUNN & CO. (LTD.), PLAINTIFF AND APPELLANT, VS.
ANG SAN TO, DEFENDANT AND APPELLEE.***G.R. No. 14269. October 16, 1919*

Ponente: MALCOLM, J.

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Plaintiff sought in the Court of First Instance of Manila to have the defendant perpetually enjoined from using certain labels or any other like imitation of plaintiff's trademark and to recoup damages for the alleged infringement. The defendant answered with a general denial and a special defense, setting forth the registration of his trade-marks, and the lack of similarity and exclusiveness of use by plaintiff, with a counterclaim for five thousand, pesos (P5,000) as damages. The judgment rendered by the trial court dismissed both the complaint and the counterclaim and dissolved the preliminary injunction theretofore issued, with the costs against the plaintiff.

The plaintiff company brings the case to this court by the usual bill of exceptions, relying on seven assignments of error. The view we take of the facts makes unnecessary a discussion of any but the third and fourth assignments. These are: That the trial court erred in not finding that the marks used by the defendant were an infringement of plaintiff's mark; and, that the defendant was guilty of unfair competition.

The issue which is thus presented relates to sections 6 and 7 of the Philippine Trade-mark Law (Act No. 666). Under this law, an infringement of a trade-mark results from the fraudulent use of another's trade-mark or a colorable imitation thereof. There is unfair competition when there is a similarity, either in general appearance, or in device or words, which would be likely to deceive the buying public. The plaintiff contends that both elements concur in the present case; the defendant contends that they do not.

The plaintiff is a limited mercantile company duly organized and licensed to do business in the Philippine Islands. For many years (eleven years to be exact, when this action was begun) it has been engaged in the sale of imported cotton textiles comprising cotton khaki drill. Since the year 1905, the company has used a trade-mark to designate its cotton khaki drill, popularly known by the cognomen "Three Soldier Khaki" or "Soldier Khaki." On February 25, 1909, the company registered this trade-mark in the then Division of Archives, Patents, Copyrights, and Trade-marks of the Philippine Government.

The defendant is a merchant doing business in the city of Manila. On October 18, 1916, he deposited with the Division of Archives, Patents, Copyrights, Trade-marks, and Corporations, in the Philippine Library and Museum, four facsimiles of trade-marks for khaki cloth. These marks have since been in use by the defendant company.

Plaintiff has, we think, fairly established his title to a specific trade-mark. We mean by this that, while the plaintiff could not very well claim the exclusive right to the figure of a soldier for a trade-mark, it could make use of effigies of soldiers in combination with other elements, to devise its particular mark. Infringement would then be shown by a comparison of the plaintiff's with the defendant's mark, and a demonstration of a resemblance between the two such as would be likely to cause the one mark to be mistaken for the other. Leaving out of consideration three of defendant's trade-marks, such a comparison can best be made by putting plaintiff's

trade-mark, introduced in evidence as Exhibit A, and defendant's trade-mark, introduced in evidence as Exhibit B, in parallel columns, which we do on the page following.

Next, before we consider the resemblances between these two marks, we should have before us some of the applicable principles which go to make up the law of trade-marks and unfair competition. Similarity, as we have said, is the test of infringement of a trade-mark. Moreover, this is not such similitude as amounts to identity. Exact copies could hardly be expected to be found. If the form, marks, contents, words, or other special arrangement or general appearance of the words of the alleged infringer's device, are such as would be likely to mislead persons in the ordinary course of purchasing the genuine article, then the similarity is such as entitles the injured party to equitable protection, if he takes seasonable measures to assert his rights and prevent their continued invasion. The deceptive tendency indicated by copying or imitating the substantial and distinctive part of the trade-mark, so as to pass off the goods of one man as those of another, is sufficient to show infringement. In all cases the court will inspect the trade-marks to discover both the differences and the resemblances. Relief will ordinarily be granted when it is manifest from a comparison of the two trade-marks or articles that one was copied from the other.

To quote the language of Lurton, J., "When there are found strong resemblances, the natural inquiry for the court is, why do they exist? If no sufficient answer appears, the inference is that they exist for the purpose of misleading." (Paris Medicine Co. vs. W. H. Hill Co. [1900], 102 Fed., 148; Ball vs. Siegel [1886], 116 111., 137; McLean vs. Fleming [1878], 6 Otto, 245; Coats vs. Merrick Thread Co. [1893], 149, U. S., 562; Joseph Dixon Crucible Co. vs. Benham [1880], 4 Fed., 527.)

Every case is, after all, in great measure, a law unto itself. Whether there be an infringement of a trade-mark, or a showing of unfair competition, is always a question of fact.

Apply these rules to the facts, or more specifically, apply these rules to the two marks here illustrated, and it is clear that the charge of infringement is satisfactorily proved. As pointed out by the trial court, the two marks are different in certain respects, as in the number of soldiers and in the wording. On the other hand, the two marks are similar in certain words and in the general tone given to the devices. One minor, but nevertheless eloquent, proof of imitation, is the spelling of the word "color" in the two trade-marks. The plaintiff has used the English spelling—c-o-l-o-u-r—and this the defendant Chinese firm has followed, notwithstanding his goods came from the United States, where the correct and accepted form is—c-o-l-o-r. This, certainly, was not accidental similarity. In fact, if Exhibit B, defendant's trade-mark, be laid on top of Exhibit A, plaintiff's trademark, it is seen at once the latter is almost wholly a tracing of the former. Moreover, reliable witnesses were called by the plaintiff who testified that Exhibit B was calculated to deceive purchasers.

The attempt of the defendant was to palm off upon an unwary public his goods as being the goods of the plaintiff. To paraphrase the language of a federal court, an inspection of the two marks carries conviction to an unbiased and unprejudiced mind that Exhibit B was prepared by someone who had seen Exhibit A and that it was designed not to differentiate the goods to which it was affixed, but to simulate a resemblance to plaintiff's goods sufficiently strong to mislead the consumer, although containing variations sufficient to argue about should the designer be brought into court. (See Collinsplatt vs. Finlayson [1898], 88 Fed., 693.) This is the usual artifice of the unfair trader. This is of the essence of the wrong and of the law which protects legitimate trade-marks and which prohibits unfair competition. And it is above all, the grossest of disrespect for that moral law which is "written on the tables of eternity."

We hardly think it necessary to cite further authorities in support of the foregoing. If any are needed, the following, quite similarly the same on the facts, can be noted: Song Fo & Co. vs. Tiu Ca Siong ([1909], 13 Phil., 143) ; Orr-Ewing & Co. vs. Johnson & Co. (40 L. T. N. S., 307); McLean vs. Fleming (supra). See generally

Hopkins, one Trade-marks.

Plaintiff asks for damages in the amount of forty thousand pesos (P40,000). One-half of this sum is somewhat speculative in nature. The proof as to the remaining twenty thousand pesos (P20,000), relating apparently to the use of all four trade-marks by the defendant, is hardly definite enough for us to make a finding. The trial court, moreover, has not had occasion to consider this phase of the case. Consequently, it would be better to leave this subject for future determination in the trial court.

Judgment is reversed and the record shall be returned to the trial court, where a permanent injunction shall issue enjoining the defendant from using the infringing trademark Exhibit B or any other like imitation of plaintiff's trade-mark, and where evidence shall be taken for the determination of the damages which should be entered in favor of the plaintiff. The plaintiff shall recover costs in both instances. So ordered.

Arellano, C.J., Torres, Johnson, Araullo, and Avanceña, JJ., concur.

Judgment reversed, record remanded with instructions.

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