

LA YEBANA COMPANY, PLAINTIFF AND APPELLEE, VS. FRANCISCO CHUA SECO & CO. ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. 4815. December 02, 1909

Ponente: ARELLANO, C.J.

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ARELLANO, C.J.:

On the 9th of June, 1904, the co-partnership Baer, Senior & Co., to which the plaintiff herein is successor, had registered in the patent office of the Government of the Philippine Islands a trade-mark for use on wrappers of cigarettes made with long-cut tobacco, manufactured by the company under the name of "La Sevillana."

On the 15th of January, 1907, Francisco Chua Seco & Co. registered in the same office a trade-mark for a similar wrapper for cigarettes made with long-cut tobacco, manufactured by them under the name of "La Valenciana."

The first-named company charged illegal competition, and brought the present suit against the latter, praying the court to issue a permanent injunction to restrain the company from using wrappers and selling cigarettes packed as described and shown by Exhibit 14 of the defendant company, claiming an indemnity for loss and damages to the amount of the profits unlawfully obtained by the use of a trade-mark similar to that of the plaintiff.

The law under which this complaint was filed is Act No. 666 of the Philippine Commission, section 7 of which provides that:

"Any person who in selling his goods shall give them the general appearance of goods of another manufacturer or dealer, either in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer other than the actual manufacturer or dealer, and who clothes the goods with such appearance for the purpose of deceiving the public and defrauding another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose, shall be guilty of unfair competition, and shall be liable to an action for damages, in which the measure shall be the same as that provided for a violation of trade-mark rights, together with discretionary power in the court to impose double damages, if the circumstances call for the same * * *."

The Court of First Instance of the city of Manila, wherein the case was tried, in its decision set forth the following conclusions: (1) That the wrappers used by both the plaintiff and the defendant are of the same colors, to wit, red and green intermingled; (2) that even though there is a great difference in the details of the respective wrappings because the figure of the Spanish girl in "La Sevillana" is standing and wearing a hat, while in "La Valenciana" it is seated, with the head resting on one hand and without a hat, and on the reverse side the dissimilarities are still greater, "yet, the color and the general design of the wrappers of the defendants are so similar to those of the plaintiff that, unless they are examined by a person who is able to read, he would be apt to believe that the cigarettes offered by the defendants are such as are manufactured by the plaintiffs, and the general public buying these cigarettes would thus be deceived" (B. of E., 10).

The court found as a consequence that, inasmuch as the plaintiffs had registered their cigarette label "La

Sevillana," they are entitled to be protected against unfair competition, and that other persons should be prohibited from using labels resembling and bearing a general appearance to the goods known as "La Sevillana;" and that the plaintiff is entitled to recover as indemnity the amount of the profits which the defendants obtained from the sale of cigarettes put up in packets designated under the name of "La Valenciana."

Therefore judgment was entered against the defendants, Francisco Chua Seco & Co. and Francisco Chua Seco, prohibiting them forever from using the label which carries on one side the name of "La Valenciana" with the figure of a young Spanish woman wearing a Spanish mantilla, with its head reposing on the right hand and the right elbow resting on some boxes, and holding a cigarette in the left hand, and on the reverse a small coat of arms with the words "Marca de fabrica" and "Fabrica de tabacos y cigarrillos—hebra superior—Francisco Chua Seco—Manila," all printed in green and red, or a general design or a design that bears a general resemblance to the labels that are attached to the complaint as a sample. The defendants were sentenced to pay to the plaintiffs the sum of P82.62 as an indemnity for damages caused, with legal interest thereon from the date of the judgment, and the costs of the proceedings.

An appeal was interposed and submitted by bill of exceptions; and the same having been heard together with the briefs of the respective parties it now appears that the appellant has assigned the following errors in the judgment:

- (1) In having considered therein that there was sufficient resemblance between the trade-mark of the plaintiff and that of the defendants;
- (2) In having declared that the owner of a trade-mark duly registered in accordance with Act No. 666 is guilty of unfair competition, and
- (3) In having recognized that the "La Sevillana" trade-mark is one of lawful use and is protected by the law.

In support of this last assignment of error the appellant invokes section 10 of Act No. 666, which provides that—

"The use of a trade-mark or trade-name by the assignee of the original manufacturer or dealer who first used and established the exclusive right to use such trade-mark or trade-name in his business, shall be lawful and shall be protected under this Act if the fact of the assignment from the original owner is shown in association with the trade-mark or trade-name wherever used by the assignee."

Therefore as the appellee did not set forth the fact of the assignment of the mark in use made by Baer, Senior & Co., who originally registered it, it is claimed that it is not entitled to the protection of the law.

This alleged error has not been committed for the reason that section 10 of Act No. 666 above cited, is not applicable in this case. The question involved now is not one of protection of the ownership or use of a trade-mark against usurpation by another person, but of unfair competition against a trade-mark which has long been used by the appellee and which, even though it were not registered, deserves the protection of the law "if the party complaining shall prove that he has used the trade-mark claimed by him upon his goods a sufficient length of time so that the use of the trade-mark by another would be an injury to him and calculated to deceive the public into the belief that the goods of that other were the goods manufactured or dealt in by the complaining party." (Act No. 666, sec. 4.)

The appellee states that it does not bring suit by reason of the usurpation of its trade-mark, nor does it raise any question as to the right of the appellant to his own trade-mark, nor object to such use as the latter may desire to make of the different details composing its label, which on being considered by themselves separately are perfectly legitimate, but which when united produce the general appearance of those which constitute his label, originating in this manner a resemblance that deceives the public. The appellee further says: "We grant that the defendant is entitled to use red and green colors, and also the name 'La Valenciana,' and likewise to adorn his

wrapping with the figure of a young woman, and to make exclusively his own any other element of his drawing; but it is denied that, by means of the conjunction of all of said elements or features, no matter how legitimate each may be separately, he has any right to imitate the general appearance of the plaintiff's wrapper. So that," he states in conclusion, "either the defendant must print his present design in colors other than red and green, or alter it, and then the use of said colors will not be objectionable."

The colors are really what produce the exact resemblance, to wit, a green and red background in the same tones throughout the whole drawing; these are the striking features of each trade-mark, not the details, border, lines, and ornamentation of each; at a certain distance these do not stand out so clearly as the colors of the pictures forming the obverse and the reverse sides of the wrapper of each packet. There is perfect similarity in the tone, combination, and tint of colors in both trade-marks, and it is a matter of small importance whether the emblematic figure, the Sevillana, be svelt and with a fine head in one of the trade-marks, while the Valenciana appears to be heavier and much larger about the bust; at a distance these figures are not of such importance as the general appearance and the respective names of "La Sevillana" in one, and "La Valenciana" in the other, with embossed letters of the same character and on the upper part of the label. Upon this ground, taking the mark as a whole, the general aspect of the pictures, and the green and red colors, is based the charge of intent to imitate.

The intention is inferred from the following: (1) The defendant company only registered its trade-mark in black and white; such was the only design that was attached to its petition for registration, and the only trade-mark that has been registered, although it is true that it stated in one line of the petition: "This trade-mark will be used in different tints and colors;" (2) the chief of the division of registration testified that the petitioner presented his trade-mark in green and red, and that his attention was called to the resemblance, and he then declined to admit the mark because the colors were the same as those of the trade-mark previously registered, in 1904, in favor of Baer, Senior & Co., and Francisco Tan Chueco [Chua Seco], the manager of the defendant company, states that he did really present the mark in five colors, as shown by his exhibits numbered 14 to 18, and that the chief of the division of registration told him that there were too many colors; that a different title should be offered for each color, that for each color and title the corresponding registration fees should be paid; and therefore, as all this would cause too much inconvenience, he decided to register it only in black; (3) that according to said Tan Chueco [Chua Seco], once that the trade-mark had been registered in black, he caused it to be printed in five colors as shown by the samples submitted, numbered 14 to 18, and that he put out cigarettes with trade-marks of the different colors, and found that the colors of sample No. 14 were the most favorably received by the public, for which reason he decided to use them.

Said colors are precisely those of the trade-mark registered by the plaintiff company since 1904, and without such prestige, as the appellant himself states in his brief, the colors adopted would not have met with such ready acceptance in preference to the other four labels offered to the public. It is thus fully demonstrated that it is the colors of the label, not the kind of tobacco, nor the drawings of the label that catch the eye and as a rule induce the purchase.

Therefore, the first alleged error, in so far as it was held in the judgment that sufficient similarity existed between the trade-mark of the plaintiff and that of the defendant to deceive the public, has not been committed.

Nor has the second alleged error been committed, in so far as the judgment concludes that a person whose trade-mark is duly registered may be guilty of unfair competition.

A registered trade-mark is no more than prima facie evidence that the person who has it is the owner, and in the present case there is no question as to the ownership of the mark. Unfair competition by reason of the deceitful appearance need not necessarily consist of the technical part of trade-marks; it may arise simply from the general

resemblance of the packet, of the emblems or the words thereon, even though under the law they are not trade-marks as prescribed by the above-cited section 7 of Act No. 666.

In view of the foregoing it would not be proper to issue a perpetual injunction enjoining the defendant company and the members thereof from using its trade-mark such as presented for registration and as now registered, and in proper colors, with the exception of the following prohibition.

It is proper, however, to grant an injunction prohibiting the defendant company and the members thereof from using the green and red colors in the form, tone, tint, and combination presented in their trade-mark, according to their Exhibit No. 14, or to the copy attached to the complaint, resembling as a whole, and in general appearance, that of the plaintiff.

Therefore, with the foregoing modification, the judgment appealed from is hereby affirmed with the costs of this instance against the appellant. So ordered.

Torres, Mapa, Carson, and Moreland, JJ., concur.

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