

AKEBONO BRAKE INDUSTRY CO., LTD.  
Opposer,  
- versus -

IPC 14-2006-00156

Opposition to:  
TM Application No. 4-2003-0011177  
(Filing Date: 05 December 2003)

YUNG NG CHI  
Respondent-Applicant.

TM: "VALQUA AND DESIGN"

x-----x

Decision No. 07-50

## DECISION

Before this Bureau is a Verified Notice of Opposition filed on October 26, 2006 by Akebono Brake Industry Co., Ltd., a corporation organized and existing under the laws of Japan with principal address at 19-5, Koami-cho, Nihonbashi, Chuo-ku, Tokyo, Japan against the application for registration of the mark "VALQUA AND DESIGN" by Yung Ng Chi, a Filipino Citizen, with address at 913 Aurora Blvd., Cubao, Quezon City for clutch and brake lining falling under class 12 bearing Application Serial No. 4-2003-011177, which was published in the Intellectual Property Office Electronic Gazette officially released for circulation on June 29, 2006.

The grounds for Opposition to the registration of the mark as culled from the records of this case are as follows:

1. Opposer has adopted and continuously used the trademarks "AKEBONO and THREE TRIANGLE DEVICE" as well as its related mark "THREE TRIANGLE DEVICE" (PROPELLER DEVICE as it is known in other jurisdictions) for its products in actual trade and international commerce for a long period of time and has acquired goodwill and international consumer recognition.
2. It had registered the marks in Japan and in many countries that are members of the Paris Convention.
3. Opposer's THREE TRIANGLE DEVICE has been widely identified with the products of the Opposer throughout the world and the relevant sector of the Philippine public.
4. Opposer has invested tremendous amount of resources in the promotion of its trademarks, as a result of which said trademark has gained local as well as international popularity and repute.
5. The registration of Respondent's mark will violate Section 123.1 of Republic Act 8293 and contravenes the provisions of Article 6bis of the Paris Convention on the Protection of Industrial Property and the TRIPS Agreement.
6. The registration of the Respondent's mark does against and pronouncement of the Supreme Court of the Philippines.
7. The registration of the Respondent's mark "VALQUA and DESIGN" will cause confusion, mistake and deception on the part of the purchasing public as to the source of origin of Respondent's goods.
8. The registration of the Respondent's trademark will violate Opposer's rights interests in the trademark and will cause dilution and loss of distinctiveness.

9. Respondent's application exploits and capitalizes on the popularity and the goodwill generated by the long-standing use of the Opposer's trademark in the Philippines.

10. Respondent's application amounts to bad faith.

The Opposer relied on the following facts to support its contentions on this Opposition:

"1. Opposer owns Philippine Trademark Registration No. 051301 dated August 21, 1991 for the mark "AKEBONO AND THREE TRIANGLE DEVICE" in Class 12 for "brakes, clutches and their components and accessories to be used in automobiles, auto bicycles, tractors; brakes, clutches and their components and accessories used in cranes and other industrial and agricultural machines, all being parts and fitting of vehicles".

2. The mark is still valid, the Opposer having submitted the 5<sup>th</sup> and 10<sup>th</sup> year anniversary affidavits of use for its maintenance.

3. It also owns Philippine Trademark Registration No. 57094 dated February 23, 1994 for the mark "PROPELLER DEVICE IN RED COLOR AND JAPANESE CHARACTERS" in Class 12 to be used on "brakes, clutches and their components and accessories to be used in automobiles, auto bicycles, tractors; brakes, clutches and their components and accessories used in cranes and other industrial and agricultural machines, all being parts and fitting of vehicles".

4. The mark is still valid, the Opposer having submitted the 5<sup>th</sup> and 10<sup>th</sup> year anniversary affidavits of use for its maintenance.

5. Respondent filed an application to register the mark "VALQUA AND DESIGN" last December 5, 2003 in Class 12 for "clutch, brake lining". The mark consists of "a design of three triangles inside of two horizontal lines with the mark VALQUA".

On October 27, 2006 a Notice to Answer the Verified Notice of Opposition was sent to Respondent-Applicant and was received by a certain Amphy Bona on November 10, 2006. Despite receipt of the Notice to Answer, Respondent-Applicant failed to submit an Answer. As such, he is deemed to have waived his right to file the Answer as well as the supporting documents. On April \_\_\_\_, 2007, Opposer filed a Motion for Resolution of this case. Hence, this decision.

The main issue to be resolved in this case is: Whether or not Respondent-Applicant's mark VALQUA AND DESIGN is confusingly similar to the marks of Opposer.

Opposer submitted the following pieces of evidence: Certificate of Registration No. 57094 (propeller device in red color and Japanese character) issued on Feb. 23, 1994 (Exh. A); Affidavit of use for the 5<sup>th</sup> and 10<sup>th</sup> anniversary (Exhs. A-1 and A-2); Certificate of Registration No. 51301 (Akebono and three triangle device) issued on Aug. 21, 1991 (Exh. B); Affidavit of use for the 5<sup>th</sup> and 10<sup>th</sup> anniversary (Exhs. B-1 and B-2); Affidavit of Mr. Hikataka Nobumuto, President of Opposer (Exh. D); Japan Trademark Registration No. 0224616 (three triangle device) issued on May 8, 1931 (Exh. E) for Class 7 and 12; Japan Trademark Registration No. 1460654 (Three triangle device) issued on Apr.30, 1981 (Exh. E-1) for Class 6, 7, 11, 12, 16, 17, 19 and 20; Japan Trademark Registration No. 1679503 (three triangle device) issued on April 20, 1984 (Exh. E-2) for Class 6, 9, 13, 12, 19 and 22; Certificates of Registration in Thailand (class 6, 12), Singapore (Class 12, Malaysia (class 12) (triangle device) Germany (Class 7, 12 (red triangle device), France (Class 7, 12), Denmark (Class 7, 12) Benelux (Class 7, 12) for the three triangle device, Switzerland, Sweden, Italy, Mexico, Canada, South Africa, Saudi Arabia (Class 7, 12) for red triangle device, Kuwait, India, Pakistan, Colombia, Venezuela, China, Russia, Iran, Lebanon, Great Britain, South Korea, Latvia, Lithuania, Estonia, Georgia, Ukraine and United Arab Emirates. (Exh \_\_\_\_)" Certificates of registration in Philippines, U.S.A., Singapore, Malaysia,

Paraguay, Jordan (Akebono with a three triangle device); Photograph of package used in the Philippines (Exh. F); Sample of Philippine advertisement (Exh. G); Akebono Corporate Guide (Exh. H); Akebono's Annual Report (Exh. I); Akebono's corporate profile (Exh. J); Request to Indonesian Intellectual Property Office for registration of Akebono and Three triangle device as well as a well known mark.

Going now to the issue of whether confusing similarity exists between the contending marks, the applicable provision is Section 123.1 (d) of Republic Act No. 8293, as amended, which provides:

“SEC. 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;

At the outset, it is worth stressing that Opposer herein is the registered owner of the trademark Propeller Device in Red Color and Japanese character issued on Feb. 23, 1994 (Exh. A) and Akebono and Three Triangle Device issued on Aug. 21, 1991 (Exh. B). Opposer as owner of the said registered marks is entitled to protection. The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress. Thus, under Section 138 of Republic Act No. 8293 it states that “the 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.”

A comparison of the competing marks would readily reveal that Respondent-Applicant's mark contain the three triangle device contained in the registered marks of Opposer. As such, the similarity would likely cause confusion to the public. When a distinctive symbol appears in use by another, the inference of direct imitation always suggest itself. Why, out of the exhaustless variety of geometric figures and of methods of grouping should the Respondent-Applicant have adopted figures and grouping substantially like those of Opposer's mark. A purpose to appropriate a trademark in substantial part could scarcely be more manifest. As such the inference of the intention to ride on the popularity of another's mark is also made evident.

As aptly enunciated by the Supreme Court in the case of American Wire & Cable Co. vs. Director of Patents:

“As in all other cases of colourable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose a trademark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.

In addition, Respondent-Applicant's mark not only contain the distinctive three triangle device which forms part of Opposer's trademark but said mark is also used on same or related goods.

Lastly, this Bureau also takes notice of the inaction of Respondent-Applicant in defending its application for registration of the trademark "VALQUA AND DEVICE" which is indicative of his lack of concern in protecting his mark. Section 230 of Republic Act No. 8293, states that: "in all inter partes proceedings in the Office under this Act, the equitable principle of laches, estoppel and acquiescence where applicable, may be considered and applied. The Supreme Court has defined laches as "the failure or neglect for an unreasonable and unexplained length of time, to do that which by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert it either has abandoned or declined to assert it." In the case at bar, the Notice to Answer was duly received by the representative of Respondent-Applicant on November 10, 2006, despite receipt of said notice, Respondent-Applicant failed to submit its verified answer, thus, it can be implied that he is no longer interested to pursues his application for registration of the herein subject mark. Respondent-Applicant is therefore deemed to have abandoned his application for registration of the mark "VALQUE AND DESIGN". Corollary, the inaction of the Respondent-Applicant is also contrary to the provision of Section 3 (d) Rule 131 of the Rules of Court that "a person takes ordinary care of his concern."

WHEREFORE, in the light of the foregoing, the Notice of Verified Opposition filed by Opposer, AKEBONO BRAKE INDUSTRY CO., LTD. against respondent-applicant YUNG NG CHI is, as it is hereby SUSTAINED. Consequently, the trademark application for the registration of the mark "VALQUA AND DESIGN" bearing Serial No. 4-2003-011177 filed on 5 December 2003 by respondent-applicant YUNG NG CHI used for clutch and brake lining falling under class 12 International Classification of goods is, as it is hereby, REJECTED.

Let the filewrapper of "VALQUA AND DESIGN" of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 30 April 2007.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs