

SK KAKEN COMPANY LIMITED,

IPC NO. 14-2010-00298

Petitioner,
-versus-

Cancellation of:
Reg. No. 4-2007-002996
Date Issued: 24 Sept. 2007
Trademark: DAVIES SKK and
Device of a Letter "S"

CHARTER CHEMICAL AND COATING CORP.,
Respondent-Registrant.

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Decision No. 2011- 92

DECISION

SK KAKEN CO. LTD., ("Petitioner") filed on 03 December 2010 a petition to cancel Trademark Registration No. 4-2007-002996 issued on 24 September 2007 to CHARTER CHEMICAL AND COATING CORP. ("Respondent-Registrant") and which covers the mark "DAVIES SKK and Device of a Letter "S", for use on "paints".

The petitioner alleges, among other things that it is the original, rightful and true owner of the mark SKK and Device of the letter "S" and which it has acquired and registered as early as 1992. Petitioner on the basis of its registration in the Philippines of its mark has acquired vested right over it, and that the Respondent-Registrant is not the original, rightful and true owner of the mark DAVIES SKK and Device of a letter "S" and thus, asserts that the cancellation thereof is justified under Sec. 151.1 (b) of the Intellectual Property Code of the Philippines.

The Petitioner's evidence consists of the following;

1. Exh. "A" – Certified true copy of Cert. of Reg. No. 061601 for the mark Device of the letter S, issued on 26 Sept. 1995;
2. Exh. "B" – Certified true copy of Cert. of Reg. No. 4-1991-077922 for the mark SK KAKEN, issued on 13 May 2006;
3. Exh. "C" to "C-23" – Invoices and purchase orders by local hardware stores and distributors in Quezon City, Metro Manila, Philippines of SK Kaken paints and building materials bearing the trademark SKK (Stylized) and Device of the letter S;
4. Exh. "D" to "D-5" – Application No. 4-2008-015015 for the mark SKK (Stylized) filed on 12 Dec. 2008;
5. Exh. "E" – Summary of SK Kaken Company Limited's worldwide trademark portfolio;
6. Exh. "F" – Japanese Reg. No. 2688010 for the mark "S Device";
7. Exh. "F-1" – Korean Reg. No. 0249803 for the mark "S Device";
8. Exh. "F-2" – Taiwanese Reg. No. 537718 for the mark "S Device (color)";
9. Exh. "F-3" – Vietnamese Reg. No. 135267 for the mark "S Device";
10. Exh. "F-4" – Singaporean Reg. No. T91/04389F for the mark "S Device (color)";
11. Exh. "F-5" – Indonesian Reg. No. 462315 for the mark "S Device (color)";
12. Exh. "F-6" – Thai Reg. No. 135692 for the mark "S Device (color)";
13. Exh. "F-7" – Brunei Reg. No. 17208 for the mark "S Device (color)";
14. Exh. "F-8" – Hong Kong Reg. No. 04610/1993 for the mark "S Device (color)";
15. Exh. "F-9" – Chinese Reg. No. 594823 for the mark "S Device (color)";
16. Exh. "F-10" – Malaysian Reg. No. 91003565 for the mark "S Device (color)";
17. Exh. "F-11" – U.S. Reg. No. 1827124 for the mark "S Device (color)";
18. Exh. "F-12" – Japanese Reg. No. 4242628 for the mark "S Device/SK KAKEN";
19. Exh. "F-13" – United Arab Emirates Reg. No. 75688 for the mark "S Device/SK KAKEN";
20. Exh. "F-14" – Thai Reg. No. 6654 for the mark "S Device/SKK";
21. Exh. "F-15" – Korean Reg. No. 0582406 for the mark "S Device/SKK";
22. Exh. "F-16" – Chinese Reg. No. 701463 for the mark "S Device/SKK";

23. Exh. "G"-53rd Annual Report (1 Apr. 2008 to 31 Mar. 2009) of SK Kaken Company Limited;
24. Exh. "H" to "H-13" – Print-outs from the website of SK Kaken Company Limited <http://www.sk-kaken.co.jp/english/profile.htm>;
25. Exh. "I" to "I-8" – Various brochures of SK Kaken Company Limited showing the promotion, sale and marketing of its products bearing the mark SKK (Stylized) and Device of the letter S;
26. Exh. "J" – Certified true copy of the Cert. of Reg. No. 4-2007-002996 for the mark DAVIES SKK and Device of a letter S issued on 24 Sept 2007;
27. Exh. "K" to "K-8" – Notarized and legalized Affidavit-Testimony of witness Minoru Fujii; and
28. Exh. "L" to "L-5" – Notarized and legalized Corporate Secretary's Certificate.

On 3 March 2011, the Respondent-Registrant filed a Motion for Extension of Time to File Verified Answer from 3 Mar. 2011 or until 2 Apr. 2011 which was granted by this Bureau per Order No. 2011-336, dated 11 March 2011. The Respondent-Registrant, however, did not file a verified answer. Hence, under Rule 2 Sec. 11 of the Regulations on Inter Partes proceedings, as amended, the case was deemed submitted for decision on the basis of the petition and evidence by the Petitioner.

Is the Petitioner's mark well-known?

Rule 102 of the Trademark Regulation sets forth the criteria in determining whether a mark is considered to be well-known to wit:

Rule 102. Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- c) the degree of the inherent or acquired distinction of the mark;
- d) the quality-image or reputation acquired by the mark;
- e) the extent to which the mark has been registered in the world;
- f) the exclusivity of registration attained by the mark in the world;
- g) the extent to which the mark has been used in the world;
- h) the exclusivity of use attained by the mark in the world;
- i) the commercial value attributed to the mark in the world;
- j) the record of successful protection of the rights in the mark;
- k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

In this regard, this Bureau noticed that the Device of letter "S" trademark of the Petitioner and the "SKK" have been registered or applied for registration in many countries including the Philippines. Also, the Petitioner has shown the extensive use and publicity of its trademarks in the Philippines and all the world, including the promotion, advertising, sale and marketing of its products bearing the marks. Accordingly, the pieces of evidence submitted by the Petitioner constitute at least a combination of the criteria set forth in the afore-cited rule to consider the Device of letter "S" and the "SKK" as well-known marks.

Now, the question is: Should the instant petition to cancel be granted or sustained?

A scrutiny of the competing marks shows that the Respondent-Registrant's mark resembles the Petitioner's. The Respondent-Registrant's mark contains the Device of the letter "S" and the letters "SKK", exactly the same features that consists or found in the Petitioner's marks. Moreover, the style and arrangement of these features in the Respondent-Registrant's mark is also the same as those in the Petitioner's. The presence of the word DAVIES in the Respondent-Registrant's mark is insignificant and insufficient to confer a character that is distinct from the Petitioner's. The Device of the letter "S" and the letters "SKK" are unique and fanciful such that when seen even with other words or features, they stand out and easily catch one's attention.

In this regard, this Bureau noticed that the Petitioner's marks are used on paint, varnish, enamel, lacquer, among other things. Considering that the Respondent-Registrant's mark is also used on paint. The competing marks therefore are confusingly similar.

It is stressed that confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be other.

In this instance, one of the marks is obviously a colorable imitation of the other. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade-name with that of the other mark or trade-name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article. Moreover, the consumers will have the impression that these products originate from a single source or the origin thereof are connected or associated with one another. The likelihood of confusion therefore, would subsist not only on the purchaser's perception of the goods but on the origin thereof.

Aptly, the competing marks, which belong to different proprietors should not be allowed to co-exist. The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the first of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article of his product. Sec. 138 of the IP Code states:

Sec. 138. Certificate of Registration – A certificate of registration of a mark should be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

Corollarily, Sec. 151 IP Code, states in part that:

Sec. 151 Cancellation – 151.1. A petition to cancel a registration of a mark under this act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as Follows:

(a) Within five (5) years from the date of the mark under this Act. xxx

Thus, the law allows any person, like the Petitioner in this case, to file a petition to cancel a trademark registration if that person believes that he would be damaged by the

registration. Once filed, a cancellation proceeding becomes basically, a review of the trademark registration in question to determine if the legal requirements for registration have been satisfied. The Supreme Court held:

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The Certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or tradename. Evidence of prior and continuous use of the mark or tradename by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared in an appropriate case.

Records show that at the time the Respondent-Registrant filed its trademark application on 21 Mar. 2007, the Petitioner has an existing trademark registration for the mark Device of the letter "S" with the Bureau of Patents, Trademarks and Technology Transfer on September 26, 1995 under Registration No. 61601 and actually been using its another mark "SKK" in Commerce in the Philippines on March 6, 2005.

Therefore, being the prior user and hence the owner of the mark Device of the letter "S" and the letters "SKK", the Petitioner's right over it is superior to the Respondent-Registrant Trademark Application should have been rejected pursuant to Sec. 123.1 (d) of the IP Code, which states that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services, or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion. Also, since the Petitioner's marks are considered well-known marks upon the application of Rule 102 of the Trademark Regulations, the Respondent-Registrant's trademark registration is also proscribed by Sec. 123.1 (e) of the IP Code.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Reg. No. 4-2007-002996 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 November 2011.