

business or services of the applicant, to cause confusion or mistake or to deceives purchasers.”

2. Respondent-Registrant’s registration of the trademark “VOLVO” was likewise obtained in breach of the provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and Sweden are signatories.

3. The trademark/tradename “VOLVO” is known in the Philippines and elsewhere as one being owned and originated by petitioner.

In its answer, the Respondent denied all the material allegations of the Petition and further alleged that:

“At the time Respondent adopted and started using the trademark VOLVO for sandals, shoes and slippers, there was no other person or entity using said trademark for the kind of goods in the Philippines. Furthermore, in the sale and promotion of sandals, shoes and slippers bearing the mark VOLVO, Respondent never claimed nor made it appear that it is affiliated with and/or is a license of a foreign country.”

The parties were not able to come out with an amicable settlement for which trial on the merit was conducted. In the meantime, ABC’s application for the registration of the trademark VOLVO used on shoes, sandals and slippers under Serial No. 59015 filed on 27 May 1986, was published for opposition in the Official Gazette of this Bureau, Volume II, No. 4, Page 26 which was officially released on 3 May 1989.

Believing that it will be damaged by said registration, AV filed a notice of opposition on 30 May 1989 which was docketed as Inter Partes Case No. 3390. AV, the Opposer in this case, alleged the same material facts it mentioned in Inter Partes Case No. 3054. Likewise, ABC raised the same defenses.

Acting upon the motion for consolidation of these cases made in open court during the pre-trial conference of IPC No. 3390 and considering that they involve the same parties and the same issues, this Office issued Order No. 734 dated 15 September 1989 granting the said motion and henceforth, trial of these cases was conducted simultaneously.

The only issue in this case is whether or not ABC Handicraft Manufacturing Corporation could validly claim ownership of the trademark “VOLVO”.

The claims of the Opposer, with its supporting evidence should be tested at the time Respondent was claiming first use of the mark applied for. In this case, ABC is claiming first use as of January 2, 1993. However, ABC did not present actual use as of that date. Thus, it is limited to its first filing date of January 14, 1986. Rule 173 of the Rules of Practice in Trademark Cases provides:

173. *Allegations in the application not evidence on behalf of the applicant.* – In all *inter partes proceedings*, the allegations of date of use in the application for registration of the applicant or the registrant cannot be used as evidence in behalf of the party making the same. In case no testimony is taken as to the date of first use, the party will be limited to the filing date of the applicant as the date of his first use.

(see also *Chung Te vs. Ng Kian Giab*, 18 SCRA 747 for the same effect.)

We first consider AV's claim that it is the owner of the mark VOLVO so that ABC should be barred from registering the same in its name pursuant to Section 4(d) of R.A. 166 which provides:

"Sec. 4. *Registration of trademarks, tradenames and service marks on the Principal Register.* - There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. the owner of a trademark, tradename or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:

x x x

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or 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 service of the applicant, to cause confusion or mistake or to deceive purchasers".

In support of its claim of ownership over the mark VOLVO, AV presented in evidence certificates of registration throughout the world (Exhibits "C" and "CC-1") including the Philippines (Exhibits "EE", "FF", "GG" and "HH") and advertisements in other countries and in the Philippines (Exhibits "A" to "AA"). Of course, AV must be well-aware that registrations obtained abroad and advertisements outside the Philippines cannot be made sources of trademark rights in the Philippines (Sections 2 and 2-A of R.A. 16 and cases form *Sterling Products International, Inc. vs, Farbenfabriken Bayer AG, 27SCRA 1214 [1996] to Philip Morris, et.al. vs. CA and Fortune Tobacco Corp., G.R. 91332 [July 16, 1993]*).

On the other hand, the certificates of registration issued by this Office in the name of AV, although all based on home registrations under Section 37 of R.A. 166 but the Affidavits of Use required under Section 12 were all duly filed, presumptively shows that AV is the owner of the mark VOLVO and its "exclusive right to use the same in connection with the goods, business or services specified in the certificate" under Section 20 of R.A. 166. The goods and services covered by these registrations range from vehicles, machines and accessories to construction and repair (Classes 7 to 12,17, and 37).

However, AV's ownership of, and its exclusive right to use the mark VOLVO is not an absolute bar to the use and registration of the same by another. Section 4(d), quoted above, clearly provides that registration by another is barred only when the mark applied for, when used in connection with the goods specified in the application, is likely to cause confusion or mistake or to deceive purchasers. In this regard, the Supreme Court held that a trademark used by a corporation for its various petroleum products can be used by another as its trademark for cigarettes. The Court held:

The public knows too well that petitioner deals solely with petroleum products that there is no possibility that cigarettes with ESSO brand will be associated with whatever good name petitioner's ESSO trademark may have generated. Although petitioner's products are numerous, they are of the same class or line of merchandise which are non-competing with respondent's product of cigarettes, which as pointed out in the appealed judgment is *beyond* petitioner's zone of potential or natural and logical expansion.

The case before us is similarly situated. The relevant public knows too well that AV deals primarily with vehicles, cars in particular. There is just no possibility that people would reasonably believe that AV has expanded to the sale of shoes, sandals and slippers. Neither would people think that ABC is connected in whatever way with AV because the goods which the parties deal with are just too unrelated.

Of course, AV submitted in evidence documents showing use of its mark VOLVO on various goods such as wallets, purse, address books, etc. (Exhibits "S" to "S-6", "T", "U" and "DD"). But the same documentary evidence unequivocally state that these collateral goods are mere "publicity gifts from Volvo" (Exhibit "S") or "give-away". It appears AV cannot deal with these goods directly for profit because its Articles of Association (Exhibit "N") mentions none along this line. Of equal importance is the fact that AV did not show proof of use on these items in the Philippines.

AV next claims entitlement for protection of its registered trademark and tradename VOLVO under the invention of Paris for the Protection of Industrial Property. The relevant article thereof provides:

Article 6bis

[Marks: Well-known marks]

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, *liable to create confusion*, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and *used for identical or similar goods*. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

Article 8

[Tradenames]

A tradename shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.

To support its claim that the trademark VOLVO had attained the status of a well-known mark, AV submitted in evidence a listing of 466 registrations of the said mark in 104 states (Exhibit "CC"), most of which were issued before ABC's date of application. Granting veracity of this listing, this alone unquestionably demonstrates that the VOLVO mark in the name of AV is internationally well-known.

But even if VOLVO is a well-known mark, thus deserves a broader scope of protection (See e.g. Kenner Parker Tows, Inc. vs. Rose Art Industries 22 USPQ 2d 1453 [Fed. Cir., 1992] and cases cited therein), such broader scope of protection may be invoked only when the later use "for identical or similar goods" by another is "liable to create confusion" pursuant to Article 6bis of the Convention. Here, non of the 466 registrations indicate anyone covering goods falling under class 25 or goods related to shoes, sandals, and slippers. The goods AV deals with i.e. vehicles and machinery and the goods ABC deals with, i.e. shoes, slippers and sandals, are widely disparate as to avoid even an iota of confusion in the use of identical mark, article 6bis therefore does not apply.

In like manner, we cannot see how the use by ABC of the trademark VOLVO create likelihood of confusion with the prior use by AV of VOLVO as a tradename when even the prior use of the same as a trademark could not create confusion because of the wide disparity of goods. Tradenames under Article 8 of the Convention are treated the same way as trademarks in that likelihood of confusion is a pre-requisite to protection.

The only reason this article was included is to do away with the obligation of filing or registration because some countries do not allow registration of tradenames, e.g. United States

of America. This is the same reason the Supreme Court held in *Kabushiki Kaisha Isetan vs. Intermediate Appellate Court, et.al.*, G.R. 75420 [15 November 1991] that:

The Paris Convention for the Protection of Industrial Property does *not automatically* exclude all countries of the world which have signed it from using a tradename which signed it from using a tradename which happened to be used in one country. To illustrate – if a taxicab to bus company in a town in the United Kingdom or India happens to use the tradename ‘Rapid Transportation’, it does not necessarily follow that ‘Rapid’ can no longer be registered in Uganda, Fiji, or the Philippines.

WHEREFORE, premises considered, the Petition for Cancellation of the trademark Registration No. SR 7940 in Inter Partes Case No. 3054 is hereby denied and said registration is declared valid and subsisting.

Furthermore, the Opposition in Inter Partes Case No. 3390 for the registration of the trademark VOLVO is hereby denied and application Serial No.59015 is hereby GIVEN DUE COURSE.

Let a copy of this Decision be furnished the Trademark Examining Division for their appropriate action.

SO ORDERED.

IGNACIO S. SAPALO
Director