

MITEK CORPORATION
Opposer,

-versus-

KPI MANUFACTURING INC.
Respondent-Applicant.
x-----x

IPC NO. 14-2008-00161
Case Filed: 01 July 2008

Opposition to:
Appln. Ser. No. 4-2006-010852
Filing Date: 03 October 2006

TM: "THUNDER AUDIO"

Decision No. 2010-34

DECISION

Mitek Corporation ("Opposer"), a corporation duly organized under the existing laws of Illinois, with business address at 4545 E. Baseline Road, Phoenix, Arizona 85042, and corporate offices at One Mitek Plaza, Winslow, Illinois, U.S.A. filed an opposition to Trademark Application Serial No. 4-2006-010852. The application, filed by KPI MANUFACTURING INC. ("Respondent-Applicant"), a domestic corporation with address SGS Foundation Bldg., 1335 G. Araneta Ave., Quezon City, covers the mark "THUNDER AUDIO" for use on speakers, amplifier, subwoofers, wiring kits, speaker canles, power cables and other audio accessories under Class 09 of the International Classification of Goods.

The Opposer alleges the following:

11. The approval of the application in question is contrary to Section 123 (d), (e) and (f) of Republic Act No. 8293, other wise known as the Intellectual Property Code of the Philippines;

x x x
12. The approval of the application will violate Opposer's right to its registered trademarks with earlier filing dates, namely: `THUNDER`, `MTX AUDIO THUNDER`, `MTX THUNDER`, `BLUE THUNDER`, `FEEL THE THUNDER`, `ITHUNDER`, `ROAD THUNDER`, `ROAD THUNDER (Stylized)`, `THUNDER AXE`, `THUNDER DOME-AXIALS`, `THUNDER MARINE`, `THUNDERFORM`, `THUNDERLINK`, and `THUNDERPRO`; (hereinafter collectively known as the `THUNDER` trademarks) filed in the United States of America and other countries for the goods covered and the right of Opposer to extend the use thereof to other goods. All of the foregoing registrations continue to be in full force and effect. xxx
13. The Opposer's internationally famous and well-known trademarks `THUNDER` and any of its derivative `THUNDER` trademarks are also entitled to protection as a trademark under the pertinent provisions of Article 6bis of Paris Convention which have been incorporated in Secs. 123.1 (e) and (f) of the Intellectually Property Code;
14. Respondent-applicant's mark 'THUNDER AUDIO' is identical confusingly similar to the above-mentioned 'THUNDER' trademarks of Opposer is intended to ride on the popularity and goodwill of the Opposer's mark and to confuse, deceive and/or mislead the purchasing public into believing that respondent-applicant's goods are the same as or connected with the goods manufactured or sold by the Opposer; and is being used or adopted in bad faith.
15. The approval of the application in question will cause and irreparable damage and injury to herein Opposer;

"The opposer herein rely on the following facts to support and prove its opposition;
xxx

16. The Opposer is the registered owner of the following earlier filed trademarks:
'THUNDER' (Reg. Nos. 1,545,243, 702422, 583393, 165110, 39749590, 294179, 088373, 98/01587, 2057048). 'MTX AUDIO THUNDER' (Reg. No. 2030062), 'MTX THUNDER' (Reg. 725237), 'BLUE THUNDER' (Reg. Nos. 1,499,375,522023,582215), 'FEEL THE THUNDER' (Reg. No. 2,253,118), 'i THUNDER' (Reg. No. 3,304,417), 'ROAD THUNDER' (Reg. No. 1,492,971), 'ROAD THUNDER (Stylized)' (Reg. No. 582237), 'THUNDER AXE' (Reg. No. 3,236,616), 'THUNDER DOME-AXIALS' (Reg. No. 3,215,360), 'THUNDER MARINE' (Reg. No. 3,341,740), 'THUNDERFORM' (Reg. No. 2,695,988), 'THUNDERLINK' (Reg. No. 3,360,707) and 'THUNDERPRO' (Reg. No. 3,196,712) and prior user of marks for the class of goods categorized as Class 9 (speakers, amplifiers, subwoofers, wiring kits, speaker canles, power cables & other audio accessories);
17. That Opposer's 'THUNDER' derivative trademarks for the foregoing class of goods have been in continuous use and its products sold in the Philippines, while they are also registered in a number of countries including USA, Canada, Taiwan, Australia, New Zealand, UK, Germany, Russia, Panama, South Africa and Mexico for a sufficiently long period of time while the respondent-applicant never claimed any period of prior use of its infringing mark.

x x x
18. As of present time, the Opposer company's MTX brand has retailers and/or distributors in Canada, Mexico, Guatemala, Panama, Aruba, Bermuda, Barbados, Dominican Republic, Grenada, Puerto Rico, Argentina, Bolivia, Brazil, Peru, French Guiana, Venezuela, Suriname, UK, European Union countries , South Africa, Japan, Philippines, South Korea, Singapore, Thailand, Taiwan, Malaysia, Indonesia, Vietnam, Guam, India, Turkey, Australia and New Zealand.
19. To show the wide reach of the Opposer company's MTX brand in the United States and internationally, the Opposer company has numerous authorized dealers for its products. The Opposer company's MTX brand internet website (www.mtx.com/caraudio/dealer.cfm) shows a listing of a different retailers and/or dealers of the MTX brand.
20. The long use of, and the large amounts spent by the Opposer, for advertisement and promotional/publicity worldwide for the various goods bearing their aforementioned trademarks, together with the volume of sales of said goods, have contributed immensely to the international recognition acquired by the goods of the Opposer identified by said mark;
21. The Opposer's THUNDER` trademarks are well known marks because of the numerous trademarks registrations worldwide and the great volume of its worldwide sales. The said trademarks is advertised extensively in the United States, the United Kingdom and other countries throughout the world;
22. The Opposer's THUNDER` trademarks have therefore become very strong and popular marks with a well established goodwill and solid business reputation throughout the world;
23. It bears stressing that the mark 'THUNDER AUDIO' is obviously not registerable because it is confusingly similar, if not identical, to the abovementioned THUNDER `trademark of Opposer, more specifically the THUNDER, 'ROAD THUNDER', and 'ROAD THUNDER (stylized) ' trademarks and it is intended to ride on the popularity

in goodwill of the Opposer's mark and to confuse, deceive or misled the purchasing public into believing that the Respondent –Applicant's goods are the same as or connected with the goods manufactured or sold by the Opposer;

24. That the way Respondent's THUNDER AUDIO marks is drawn, sketched, printed and reproduced is CONFUSINGLY SIMILAR to the THUNDER, and 'ROAD THUNDER' trademarks of Opposer both here and abroad;
 - 24.1 The confusingly similarity is clear, First, both trademarks contained the dominant term Thunder, sketched confusingly similar manner as to the font used for the letters, as well as the sweeping horizontal line across the word Thunder;
 - 24.2 Second, the marks involved sometimes contain a corresponding stylized descriptive word, like road or audio creating THUNDER family trademarks;
 - 24.3 Not only that, both trademarks covered the same types of goods
 - 24.4 In sum, Respondent-Applicant in its malicious to copy and infringe on the prior existing rights of Opposer its long standing THUNDER, ROAD THUNDER, and its derivative THUNDER marks, try to imitate by copying the essential element of the trademark and device as enumerated in paragraphs 24.1 and 24.2, and in the process, creating unsubstantial difference that pale into insignificance, like the removal of the italization of the word THUNDER and making the word AUDIO italicized instead
 - 24.5 Such differences should be completely ignored, Aside from creating a degrading imitation of the THUNDER marks of the Opposer, there is no question that the Respondent-Applicant intended to copy the foregoing trademark and device and enjoy a free ride on the popularity of the well known: THUNDER trademarks of the Opposer by simply combining and editing the formatting of the two well known marks of the Opposer into one composite mark.
 - 24.6 The likelihood of confusion is certain due to the identity between the marks of the Opposer and the Respondent-Applicant,
 - 24.7 In sum, the word marks of Respondent-Applicant are perfect imitations of the Opposer's THUNDER trademarks and clearly show that Respondent-Applicant copied and imitated the THUNDER trademarks of the Opposer in bad faith. The bad faith of the Respondent-Applicant is obvious from the identity of the proposed mark to Opposer's mark and its clear intention to on the goodwill of the Opposer's well known in highly popular and saleable trademark. Also, it must be emphasized that the goods covered by both marks are exactly the same and are under the same class (Class 9).
25. It bears stressing that the way the Thunder of the Respondent-Applicant's THUNDER AUDIO mark is depicted is confusingly similar, if not identical as the THUNDER of ROAD THUNDER and the other registered mark identified in Par. 16, above, and will result in a great likelihood of confusion.
26. It is really difficult to understand why, of the millions of terms and combinations of letters and designs available, The Respondent applicant had to choose the exactly the same mark as that of the opposer, the company which owns the products bearing the THUNDER mark, which the Respondent-applicant use to distribute its products

since 1988. Thus, there is without question utter bad faith on the part of the Respondent-Applicant.

x x x

27. Worth mentioning as well is that the THUNDER marks are mainly associated with the Opposer and are fact the primary business product of the Opposer, catering to the motor vehicle mobile audio market, as a result, the Respondent-applicant's application of the THUNDER AUDIO mark for speakers, amplifiers, subwoofers, and other audio accessories, undeniably infringes and encroaches upon the property right of the Opposer over the THUNDER marks.
28. Said THUNDER trademarks have firmly and widely identified with the products of the Opposer; and
29. That the foregoing circumstances and pursuant to Sec. 123 (e) and (f) of Republic Act No, 8293 and Art. 6 bis of the Paris Convention, the Intellectual Property Office is authorized to refuse all applications for trademark which constitute a reproduction, translation or imitation of a trademark originally owned by person, natural or coporate, who is a citizen of a country signatory to the Paris Convention for the protection of the Industrial Property filed by persons other than the original owners thereof.
30. At the risk of being repetitious, it is truly difficult to understand why, of the millions and terms combinations of letter and designs available, the Respondent-applicant had to chose exactly the same or confusingly similar mark as that of the opposer's for goods that are also exactly similar, unless it is for the sole purpose of riding all the popularity of Opposer's well-known trademark

The Opposer's evidence consists of the following:

1. Exh. "A"- Authenticated affidavit of Lloyd Ivey;
2. Exh. "B"- :List of various THUNDER trademark registrations of Opposers:
3. Exh. "C" to "C-10*" List of Opposer's trademark registrations for the mark THUNDER and its derivatives issued in the United States;
4. Exh. "D"- Certified copy of trademark registration # 1545243, issued in the United States for the trademark THUNDER;
5. Exh. "D" to "D-11*" Certified copy of trademark registration for the mark THUNDER and its derivatives issued in the Australia, Canada, Russia, Germany, New Zealand, Panama, South Africa, United kingdom, European Union and Mexico
6. Exh. "E"- "E-32" List of Opposer's print advertisement for its mark THUNDED and its derivatives;
7. Exh. "F"- "F-7" Print outs of company websites press releases and product promotion of the THUNDER and its derivatives trademark; and
8. Exh. "G"- "K" Copies of press releases, List of Philippine Attendees in the CES Convention, and photograph of Opposer's booth showing use of THUNDER trademark and convention floor map.

This Bureau issued on 04 August 2008 a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 07 August 2008. The Respondent-Applicant filed on 05 December 2008 its verified Answer alleging, among other things, the following:

"4. Opposers have no valid cause of action against the Respondent.

"5. The trademark THUNDER AUDIO of the herein Respondent is different in composition, appearance, and sound from various THUNDER trademark of the Opposer. The adoption or presence of the word AUDIO in Respondent's mark makes the said mark-distinctive/substantially dissimilar from the Opposer's various THUNDER trademark.

"6. The registrability of the Respondent's THUNDER AUDIO trademark has been passed upon by no less than, Bureau of Trademarks when the latter, after conducting substantive examinations, allowed the application as there were no citations of existing registrations or pending applications of similar or confusingly similar trademarks.

"7. The Opposer has no registration or prior pending application of its various THUNDER trademarks in the Philippines. AS such, Opposer is not entitled to protection under our law. Section 122 or RA 8293 expressly provides that a right in a mark is acquired by registration.

" 8. On the other hand, respondent being the first to apply for the registration of the THUNDER AUDIO mark in the Philippines is entitled to registration and protection of its subject mark under our jurisdiction.

"9. Opposer cannot claim protection under Section 123.1 (d) and (1) or RA 8293 (the Intellectual Property Code of the Philippines) on the ground that the Opposer has no existing registration or prior applications in the Philippines of any or its various THUNDER trademarks.

"10. Oppose likewise cannot claim protection under Section 123 (e) of RA 8293 because Opposer's mark is not considered well known internationally and in the Philippines. The documentary evidence presented by the Opposer are insufficient to establish that Opposer's various THUNDER trademarks are well known internationally and in the Philippines.

"11. Finally the Notice of Opposition should be outright dismissed for having been filed beyond the maximum four month period prescribed by the Rules within which to file the Verified Notice of Opposition.

11.1. The subject application was published in the IPO E-Gazette on February 22, 2008. Opposers requested and were granted those (3) extension of time to the file the Notice of Opposition. The third and final extension ended on June 21, 2008.

11.2. Records of the case show that the copy of the Verified Notice of Opposition was actually filed on July 8, 2008 as shown in the IPO stamp receipt appearing in the Manifestation covering the filing of the said Notice of Opposition, The same date of filing was likewise confirmed in the Notice of Answer that was issued by the Hearing Office.

11.3. It is apropos to state that Section 4 and 5 or Rule 7 of the Regulation on Inter Parties Proceedings grant opposer a maximum period of 4 months from the date or release of the IPO Gazette within which to file the Verified Notice of Opposition. Applying the above Rule of the instant Notice of

Opposition should be diminished for Opposer miserably to file the said Notice of Opposition within the maximum period allowed by law.

The Opposer's evidence consists of the following:

1. Exh. "1"- Affidavit of Mario G. Gamboa ;
2. Exh. "2"- Certified true copy of the Amended Certificate of Incorporation of KPI Manufacturing Corporation:
3. Exh. "2-A" - Certified true copy of the Amended Articles of Incorporation of KPI Manufacturing Inc;
4. Exh. "2-B"- Certified true copy of Amended By-laws of KPI Manufacturing Inc;
5. Exh. "3"- Actual packaging material bearing the trademark THUNDER AUDIO;
6. Exh. "4" – Products catalogue showing various products bearing the trademark THUNDER AUDIO;
7. Exh. "5" – Sales Invoice No. 72736 dated 06 January 2004;
8. Exh. "6" and "6-A" to "6-X" Sales invoices showing sales of THUNDER AUDIO products; and
9. Exh. "7" –Price list of THUNDER AUDIO; products showing product number/code

The Opposer filed a Reply pm 15 September 2008. After the preliminary Conference, this Bureau issued Order No. 2009-1596 requiring the Parties to submit their respective position papers. The Opposer filed its Position Paper on 17 November 2009 while the Respondent-Applicant did so on 23 November 2009.

The Respondent-Applicant raised the issue of timeliness of the filing of the Opposition pointing out that the Opposer filed its Verified Notice of Opposition only on 08 July 2008 which was beyond the deadline on 21 June 2008. On this issue, the Opposer in its Reply claimed that an advance copy of the verified opposition was filed on 23 June 2008- June 21 2008 being a Saturday together with a Manifestation explaining the reason why it was not able to file authenticated verified opposition on time.

In this regard, Section 134 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 134. Opposition – Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application. Such opposition shall be in writing and verified by the oppositor or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation in English, if not in the English language. For the good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended by the Director of Legal Affairs, who shall notify the applicant of such extension. The Regulations shall fix the maximum period of time within which to file the opposition.

Corollary thereto, Rule 7, Sections 2 and 4 of the Regulations on Inter Partes Proceedings as amended by Office Order No. 79, Series 2005 states:

Rule 7
Opposition to Application for Registration of Marks

x x x

Section 2. (a) Notice – Upon filing of the opposition and payment of the required fee, the Bureau shall serve notice of the filing on the applicant, and the opposer and all other persons having any right, title or interest in the mark covered by the application, as appear of record in the Office.

(b) Notice in case of unverified notice of opposition. – The Bureau may notify the applicant of the fact of filing of an unverified opposition. The applicant, after payment of the required fee, may request for a copy of the unverified opposition.

(c) The notice to answer will be sent to the applicant/respondent upon the filing of the verified opposition.

(d) Dismissal of opposition. – The opposition will be dismissed motu proprio upon failure of the opposer to verify, in person or by any person on his behalf who knows the facts, the notice of opposition within two (2) months from date of filing of the unverified opposition.

Section 4. (a) Extension of period for filing the verified opposition. – For good cause shown and upon payment of the required surcharge, the time for filing the verified opposition may be extended for an additional one month by the Director upon the written request of the opposer. Whenever an extension is granted, the Director shall cause the applicant to be notified thereof. The petition for extension shall be filed in triplicate. However, in no case shall the period within which to file the verified opposition exceed four months from the date of release of the IPO Gazette publishing the mark being opposed. If the last day for filing of the notice of opposition or the verified opposition falls on a Saturday, Sunday, holiday, non-working holiday as may be declared by the President of the Philippines or on a day when the Office or the Bureau is closed for business as may be declared by the Director General, the same shall be moved to the immediately following working day.

Section 5. Filing of an opposition in a form other than the original. The party filing the opposition may submit an opposition in a form other than the original such as facsimile copy or photocopy provided: (1) that such fax, photocopy or other form complies with the requirements of these Regulations and is filed within the period to file the notice of opposition or the verified opposition, or any extension thereof, (2) that the original copy of the verified opposition is filed within one month from submission of the fax, photocopy or other form and, (3) that the original copy of the verified opposition is filed within the maximum period of four months counted from the date of release of the IPO Gazette publishing the mark being opposed. In all cases, the notice to answer shall be sent to the applicant only upon the filing of the original copy of the verified opposition.

It must be stressed that as a general rule. The opposition in the required form should be filed within thirty days from the publication the trademark application, The granting of extension of time are precisely to give the opposer sufficient time to prepare evidence and other supporting documents,

In the instant case, the Respondent-Applicant application was published for opposition on 22 February 2008. Hence, the Opposer had until 23 March 2008 to file the opposition. The Respondent-Applicant however, requested and was granted three extensions of time to file its verified notice of opposition. The last day for the Respondent-Applicant to file the opposition was on 24 June 2008, which fell on a Saturday. However, on 23 June 2008 the Opposer instead of filing a verified notice of opposition in due form filed only a Manifestation and Motion together

with an advance copy of the verified opposition without the proper authentication and supporting documents. Thus, the Opposer's filing of its original authenticated Notice of Verified Opposition on 01 July 2008 was already beyond the four month maximum period allowed by the rules.

The Opposer had ample opportunity to comply with the requirements for filing a verified opposition. Due diligence requires that the Opposition should have exerted efforts in the prosecution of its opposition. The Opposer has an obligation to take the care which under ordinary circumstances of the case, a reasonable and prudent man would take in protecting its interest. Due diligence is that which required of an ordinary diligent person in this situation, who is bent on protecting its alleged rights against an impending trademark registration is expected to exercise caution, and foresight knowing that these circumstances have to be dealt with in preparing the opposition.

Procedural rules are (tools) designed to facilitate the adjudication of case, Courts and litigants alike are thus (enjoined) to abide strictly by the rules. And while the Court, in some instances, allows a relaxation in the application of the rules, this we stress, was never intended to forge a bastion for erring litigants to violate the rules with impunity, The liberally in the interpretation and application of the rules applied only in the proper case and under justifiable causes and circumstances. While it is true the litigation is not a game of technicalities, it is equally true that every case must be prosecuted in accordance with the prescribed procedure to insure an orderly and speedy administration of justice,

In fact his Bureau, already extended literally on the Opposer's case when said party's request for extensions of time to file opposition were granted,

Thus, the Opposer's Verified Notice of Opposition cannot be admitted on the basis of unwarranted liberal application of procedural rules. The records even contradict the Opposer's claim that the duly authenticated Verified Notice of Opposition and other original copies of the supporting documents was only filed on 01 July 2008 because on 23 June 2008) June 21, 2008 being a Saturday) the said documents were still in transit due to the unannounced closure of the Consulate Office in Los Angeles on 20 June 2008 which delayed the authentication process. A scrutiny of these documents reveal that they were authenticated only on 24 June 2008 and therefore, not really yet in transit as of 23 June 2008.

WHEREFORE, premises considered the instant opposition for to Trademark Application Serial No. 4-2008-010852 is hereby DISMISSED. Let the filewrapper of the Trademark Application Serial No. 4-2009-010852 be returned, together with a copy of this Decision, to the Bureau of Trademark (BOT) for information and appropriate action.

SO ORDERED.

Makati City, 29 June 2010