

CASIO COMPUTER CO. LTD.,
Opposer,

-versus-

IPC No. 14-2006-00041
Opposition to:
Serial No. : 4-2004-007990
Filed : 31 August 2004
Trademark: "KADIO"

HONEX MARKETING,
Respondent-Applicant.

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Decision No. 06-119

DECISION

Before this Office is an Opposition filed by Casio Computer Co., Ltd., a corporation duly organized and existing under and by virtue of the laws of Japan, with business address at 6-2, Hon-machi, 1-chome, Shibuya-ku, Tokyo, Japan, against Application Serial No. 4-2004-007990 for registration of the trademark "KADIO" for calculator, electronic calculator, electronic computing machine under Class 09, filed on 31 August 2004 under the name of Respondent-Applicant, Honex Marketing with business address at 101 Perea St., Binondo, Manila.

The grounds for the opposition to the application for registration of the trademark KADIO are as follows:

- "1. The trademark KADIO being spelled for by Respondent-Applicant is confusingly similar to Opposer's trademark CASIO, among others, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public.
- "2. The registration of the trademark KADIO in the name of Respondent-Applicant will violate Section 123.1, subparagraph (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines and Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and Japan are parties.
- "3. The registration and use by Respondent-Applicant of the trademark KADIO will diminish the distinctiveness and dilute the goodwill of Opposer's trademark CASIO, among others.
- "4. The registration of the trademark KADIO in the name of Respondent-Applicant is contrary to other provision of the Intellectual Property code of the Philippines.

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

- "1. Opposer is the owner of and/or registrant of and/or applicant in many trademark registrations of the trademark CASIO, among others, around the world for goods under Classes 7, 9 and 28.
- "2. In the Philippines, Opposer is the registrant/owner of the following trademarks as follows:

- | | |
|----------------|----------------------------|
| a. Trademark | : CASIO |
| Certificate of | |
| Reg. No. | : 41560 |
| Date Issued | : October 28, 1998 |
| Registrant | : Casio Computer Co., Ltd. |

- b. Trademark : CASIO
Certificate of
Reg. No. : 41838
Date Issued : November 14, 1988
Registrant : Casio Computer Co., Ltd.

- c. Trademark : CASIO
Certificate of
Reg. No. : 25860
Date Issued : March 21, 1998
Registrant : Casio Computer Co., Ltd.

- d. Trademark : CASIO
Certificate of
Reg. No. : 19236
Date Issued : June 23, 1993
Registrant : Casio Computer Co., Ltd.

Opposer encloses herewith a copy of Certificate of Registration Nos. 41560, 41838, 25860 and 19236 as Annexes "A", "B", "C" and "D" respectively, and made integral parts hereof.

"3. By virtue of Opposer's registration of the trademark CASIO in the Philippines and its prior application and/or registration and ownership of this trademark around the world, said trademark has therefore become distinctive of Opposer's goods and business.

"4. The registration and use of the trademark KADIO by Respondent-Applicant will deceive and/or confuse purchasers into believing that Respondent-Applicant's goods and/or products bearing the trademark KADIO emanate from or are under the sponsorship of Opposer Casio Computer Co., Ltd., owner/registrant of the trademark CASIO. Respondent-Applicant obviously intends to trade and is trading on Opposer's goodwill.

"5. Likewise, there is also no doubt that an ordinary and/or casual purchaser buying under normal prevalent conditions in trade is not expected to exercise a careful scrutiny between two (2) products bearing confusingly similar trademarks as in Opposer's trademark CASIO vis-à-vis Respondent-Applicant's trademark KADIO and will most likely be confused and deceived to buy one product for the other.

"6. The registration and use of the trademark KADIO by Respondent-Applicant will therefore diminish the distinctiveness and dilute the goodwill of Opposer's trademark CASIO.

"7. It is evident that the adoption of the trademark KADIO by Respondent-Applicant was not made in good faith but rather, there is apparently an intent by Respondent-Applicant to "ride on" the goodwill established and "pass off" Respondent-Applicant's goods as those of Opposer.

"8. The allowance of Application Serial No. 4-2004-007990 in the name of Respondent-Applicant will be violative of the treaty obligations of the Philippines under the Paris Convention for the Protection of Industrial Property, to which the Philippines and Japan are member-states.

The Notice to Answer date March 31, 2006 was sent to Respondent Honex Marketing by registered mail and received on April 05, 2006 through its Counsel, Atty. Gilbert S. Paredes directing it to file its Verified Answer within a prescribed period from receipt. For failure of Respondent to file the required Answer within four (4) months from receipt of the notice, this Bureau under Order No. 2006-1175, declared Respondent to have waived its right to file the Verified Answer and resolved to submit the case for decision.

Considering that the case was mandatorily covered by the Summary Rules under Office Order no. 79, this Bureau directed Opposer to file all evidence in original and duplicate copies, and in compliance with said Order, Opposer through Counsel filed its evidence on March 14, 2006.

In support of its prayer for the rejection of Application Serial No. 4-2004-007990 for the mark KADIO, Opposer submitted evidence which consist, among others, of the Affidavit of the General Manager of the Intellectual Property Center for Casio Keisnaki Kabushiki Kaisha, Hajime Manabí; copy of the Annual Report for 2005 of Casio Computer Co., Ltd.; copy of the homepage of world.casio.com; printed copy of the trademark registration details of Registration No. 0605136 obtained in Japan; First trademark registration for the mark CASIO and other registration for the same mark obtained in the Philippines; and copy of other trademark registrations obtained abroad.

Tersely, the issue for this Office disposition is the propriety of Application Serial No. 4-2004-007990; whether or not Respondent-Applicant is entitled to register the trademark KADIO covering goods in Class 9 specifically *calculator, electronic calculator, electronic computing machine* vis-à-vis Opposer's registered mark CASIO for use on goods falling under the same class which include but not limited to the following: *punch card and tape system machines, magnetic card and tape system machines, billing machines, tabulating machines, teller machines, sorting machines, accounting machines, proof machines, saving machines, type writers, electrical and electronic calculators, electronic desk-top calculators, electronic printing desk-top calculators, printing machines, ink jet type recording apparatus, and electronic computers.*

After close scrutiny and careful evaluation of the records and evidence presented, this Bureau finds substantial evidence to prove the grounds relied upon by Opposer to sustain this instant Opposition.

On the basis of the evidence presented, there are shown clear and convincing proofs that the two (2) competing trademarks, CASIO of Opposer and Respondent-Applicant's KADIO are confusingly similar. The style in which the letters are written and spelled are almost the same, both containing two (2) syllables and similar suffixes (io). Subject marks have both five (5) letters, although Applicant's mark use the letters K and D in place of the letters C and S, when they are pronounced the two marks are almost the same, CASIO is not at all phonetically different from KADIO. For purposes of illustration, this Bureau has adopted the declaration of the Court in the case of Celanes Corporation of America vs. E.I. Du Pont de Nemours & Co. (1946), 154F. 2d 146 148 which held that "the following words have the same significance or have the same appearance and meaning:

"CELDURA" and "CORDURA" – That both marks considered as a whole are similar in meaning and appearance can not be doubted. When spoken as written they sound very much alike. Similarity of sound alone, under such circumstances, is sufficient to cause the marks to be regarded as confusingly similar when applied to merchandise of the same descriptive properties."

Since the mark KADIO is locally derived or of Filipino origin, the letter K, more often than not, takes place of the letter C in the Filipino language.

Moreover, the goods involved are the same, they pertain to calculators or electronic adding devices or computing machines falling under Class 09 of the International Classification of Goods (i.e., electronic devices). Thus, applying these competing marks to the same goods which passed through the same channels of trade and marketed similarly, may lead to confusion in trade and would damage Opposer's goodwill or reputation which it has painstakingly earned and established for more than 30 years in the Philippines alone.

In like manner, the Supreme Court made the following pronouncements to the effect that:

"The tradename "LIONPAS" for medicated plaster cannot be registered because it is confusingly similar to "SALONPAS", a registered trademark also for medicated plaster. x x x Although the two letters of "SALONPAS" are missing in "LIONPAS", the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effect are confusingly similar." (Marvex Commercial Co vs. Hawpia & Co., 18 SCRA 1178),

"The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; x x x no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other." (American Wire and Cable Co. vs. Director of Patents, 31 SCRA 544),

In the language of R.A. 8293, more particularly Section 123 (d), it is said that:

"Section 123. Registrability. – 123.1. A mark cannot be registered if it:

xxx

- (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;"*

xxx

It is clear from a reading of Section 123(d) (iii) as abovecited that the intention of the law is to protect not only the owner of the trademark, likewise, and more importantly, the buying public that they may not be confused, mistaken or deceived by the goods they purchase.

Clearly etched in *Converse Rubber Corp. vs. Universal Rubber Products, Inc.* is the concept of likelihood of confusion where it said "The similarity in the general appearance of respondent's trademark and that of petitioner would evidently create a likelihood of confusion among the purchasing public. xxx The risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source. "The law does not require actual confusion, it suffices that confusion is likely to occur in the sale of the goods and adoption of both marks (*Philips Export B.V., et al. vs. Court of Appeals, et al G.R. No. 96161, February 21, 1992*). Hence, the likelihood that prospective buyers may perceive that Respondent's goods are manufactured by or is associated or connected with Opposer is probable.

Opposer is the registered owner and prior user of the trademark CASIO. Way back in the 60s for the Philippines alone, Casio Computer Co., Ltd., or Casio Computer Kabushiki Kaisha

already ventured in the sale of goods falling under Class 09 and obtained its first Philippine registration in the year 1973. Opposer has shown prior registration in the Philippines and abroad for other goods falling under classes 07, 08, 10, 11, 12, 17, 21 and 28, more than four (4) decades earlier than Respondent's application for its mark KADIO.

It is worth mentioning at this juncture to bolster Oppositor's exclusive right over its CASIO trademark and accord protection henceforth against any subsequent user is the established goodwill and reputation CASIO trademark has earned over the years. The trademark CASIO is widely and popularly used by Opposer especially on its calculator or tabulating devices or machines. The use and adoption by Applicant of the mark as subsequent user can only mean that Applicant wishes to reap on the goodwill, benefit from the advertising value and reputation of Opposer's CASIO trademark.

On the basis of the evidence presented and as the record eloquently shows, Opposer's mark is popular, widely used and extensively advertised in many countries including the Philippines. The mark, CASIO, has registrations and pending applications in the name of the Opposer in almost all the countries in the world and has enjoyed international reputation and goodwill for the quality of the products they sell bearing the trademark. Over the years, Opposer's principal products like calculators, musical instruments and wrist watches or timepieces bearing CASIO trademark have been sold by the Company, Casio Computer Co. Ltd., Opposer herein, in Japan and in at least thirty (30) countries worldwide, including the Philippines.

By appropriating a word so closely resembles that of a widely and popularly used trademark, and taking into account the evidence submitted by Opposer, this Office is of the opinion that indeed there was deliberate intent by Respondent-Applicant to ride on the popularity of the mark of the Opposer generated through extensive use and advertisement without the Respondent-Applicant having incurred any expense to gain such goodwill and/or reputation. Likewise in the case of *American Wire & Cable Co. vs. Director of Patents*, 31 SCRA 544, it was observed that:

"Why of the million of terms and combination of letters and designs available the appellee had to choose so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark"

In like manner, the court in a long line of cases ruled thus:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numerals etc. as to justify one who really wishes to distinguish his products from the other entering the twilight zone of or field already appropriated by another (*Weco Products Co., Milton Ray Co.*, 143 F. 2d. 985, 32 C.C.P.A. Patents 1214).

"xxx why, with all the birds in the air, and all the fishes in the sea, and all the animals on the face of the earth to choose from, the defendant company (*Manila Candy Co.*) elected two roosters as its trademark. Although its directors and managers must have been well aware of the long continued use of a rooster by the plaintiff with the sale and achievement of its goods? x x x a cat, a dog, a carabao, a shark, or an eagle stamped upon the container in which candies are sold would serve as well as rooster for the product of defendant's factory. Why did defendant select two roosters as its trademark? (*Clarke vs. Manila Candy Co.*, 36 Phil 100)."

The Opposer have sufficiently corroborated its claim, having presented substantial evidence to convince this Bureau that Opposer first adopted and popularized the subject mark. Necessarily therefore, the inevitable conclusion, given all the foregoing, is that the mark KADIO

bearing Application Serial No. 4-2004-007990 can not have any right superior to that of the trademark registration issued in favor of Opposer for CASIO, being used on almost identical and related goods.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, application bearing Serial No. 4-2004-007990 filed by Honex Marketing on August 31, 2004 for the registration of the mark "KADIO" for use on goods falling under class 09 is, as it is hereby REJECTED.

Let the filewrappers of KADIO, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 18 October 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office