COBY ELECTRONICS CORP.,	}	IPC No. 14-2006-00085
Opposer,	}	Opposition to:
	}	Appln. Ser. No. 4-2003-011016
-versus-	}	Date Filed: December 2, 2003
	}	TM: "COBY"
	}	
MIRAGE INTERNATIONAL CORP.,	}	
Respondent-Applicant.	}	Decision No. 2007-05

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DECISION

This pertains to the NOTICE OF OPPOSITION to the application for the registration of the trademark "COBY" denominated as Application Serial No. 4-2003-011016 lodged by Mirage International Corporation for goods under Class 7, namely, juicers, blenders, ice crushers, vacuum cleaner, and washing machines; Class 9, namely, television, mini component VCD, CD player, cassette recorders, video CD, DVD, audio video, laser disc, VHS tape, radio clocks, radios, and fax machines; Class 11, namely, general electric household appliances such as rice cookers, sandwich makers, hotdog maker, steam iron, turbo broilers, ceiling fans, high velocity fans, pressure cookers, wok, flat irons, oven toasters, stand mixers, hair dryers, desk fans, stand fans, box fans, microwave ovens, coffee makers, lanterns, foot spa, aircondition, kettles, water dispenser, hand mixers, electric airpot, bulbs, lighting fixtures, and lamps; and Class 21, namely, housewares such as cookware, kitchen gadgets, frying pans, and kitchen wares. Application Serial No. 4-2003-011016 was published for opposition in the February 15, 2006 issue of the Intellectual Property Philippines (IP Phil.) e-Gazette and released for circulation on the same date.

Opposer Coby Electronics Corporation is a corporation organized and existing under the laws of the State of New York, U.S.A. with office address at 56-65 Rust St. Maspeth, New York, U.S.A.

On June 13, 2006, opposer filed through counsel a MANIFESTATION & MOTION attaching thereto a verified and authenticated NOTICE OF OPPOSITION (Annex "A"); a notarized and authenticated Affidavit of Jones Kim with attached Annexes (Annexes "B" to "B-14"); and a notarized and authenticated Special Power of Attorney in favor of its counsel (Annex "C").

The grounds for opposition are as follows:

1. Opposer is the prior user and owner of the mark "COBY" in the Philippines under Application Serial No. 4-2005-012452 filed with the IP Phil. On December 19, 2005 for goods under Class 9;

2. Opposer has first adopted, and is the first or prior commercial user of the mark "COBY" and "COBY & Design" in the U.S.A., and of the mark "COBY" in other countries worldwide for goods in international Classes 9, and 16, and services in Classes 35, 37, 39 and 42 long before respondent-applicant appropriated the mark "COBY" for its own products;

3. Opposer has registered "COBY" in its name in Argentina, Colombia, El Salvador, European Union, Paraguay, and Venezuela;

4. Opposer's products bearing the mark "COBY" have earned goodwill among consumers who have associated the products bearing the "COBY" mark with opposer as their source of origin;

5. Respondent-applicant's mark "COBY" is identical to opposer's mark "COBY", and is likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake, and deception to the purchasing public by misleading them into thinking that respondent-applicant's goods either come from opposer, or are sponsored or licensed by it;

6. The registration and use by respondent-applicant of the mark "COBY" will diminish the distinctiveness of, and dilute the goodwill of opposer's mark "COBY" which is an arbitrary mark when used on opposer's mark;

7. Respondent-Applicant appropriated and used the identical and confusingly similar mark "COBY" on its own good that are competing with opposer's electronic products with the obvious intention of capitalizing upon the renown of opposer's self-promoting mark by misleading the public into believing that its goods bearing the mark "COBY" originate from, or are licensed or are sponsored by opposer which has been identified in trade and by consumers as the manufacturer of goods bearing the mark "COBY";

8. The approval of respondent-applicant's mark "COBY" is based on false representation that it is the originator, true owner, and first user of the mark which was merely copied/derived from opposer's "COBY" mark;

9. Respondent-applicant's appropriation and use of the identical and/or confusingly similar mark "COBY" infringe upon opposer's exclusive right to the mark "COBY" which is a well-known trademark protected under Section 37 of the old Trademark Law, Sections 147 and 165 (2) (a) of the Intellectual Property (IP) Code, Article 6bis of the Paris Convention, and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights to which the Philippines and the U.S.A. adhere;

10. The mark "COBY" is also opposer's trade name and is protected in all member countries pursuant to Section 8 of the Paris Convention and Section 165.2(a) of the IP Code without obligation of filing or registration whether or not it forms part of a trademark;

11. The registration of the mark "COBY" in respondent-applicant's name is contrary to the other provisions of the IP Code; and

12. Opposer's mark is an arbitrary trademark and is entitled to broad legal protection against unauthorized users like respondent-applicant who has appropriated the identical or confusingly similar mark "COBY" for its own goods.

A copy of a Notice to Answer dated June 19, 2006 was sent by registered mail on June 21, 2006 to respondent-applicant giving it thirty (30) days from receipt thereof within which to file its Answer. On July 25, 2006, Respondent-Applicant filed a REQUEST FOR EXTENSION OF TIME TO FILE THE VERIFIED ANSWER which was granted per Order No. 2006-1049, giving respondent-applicant 30 days from July 25, 2006 or until August 24, 2006 within which to file its Answer. Respondent-applicant failed to file its Answer within the given period for which reason it was deemed to have waived its right to file a verified Answer and the supporting documents thereof per Order No. 2006-1432. Per the same Order, opposer was directed to file its position paper and, if desired, a draft decision within a non-extendible period of ten (10) days from receipt of said Order. Opposer received Order No. 2006-1432 on October 25, 2006 but it filed its POSITION PAPER on November 6, 2006, which is beyond the period given it. Said POSITION PAPER thus, shall not be considered in the disposition of this case.

The main issue to be resolved in this case is whether or not opposer correctly claims that respondent's trademark "COBY" was copied from its trademarks specifically "COBY" of Opposer giving rise to confusing similarity between the two in violation of Republic Act 8293 otherwise known as the Intellectual Property Code of the Philippines which is the law governing the instant opposition considering that the application was filed during the effectivity of the said statute.

There is no question that opposer's and respondent-applicant's respective marks are used on goods under Class 9, and that such goods are related: These goods are basically audio, visual, audiovisual and communication apparatuses, instruments, and/or technologies such as, but not limited to, cassette players and recorders, radios, clock radios, discs, disc players, televisions, telephone answering machines, and fax machines. These goods, thus, have the same descriptive properties. Moreover, the purpose of these goods are the same: They serve as communication tools, and/or they cater to aesthetic audio, visual, and/or audiovisual sensibilities. Goods are so related when they belong to the same class, have the same descriptive properties, or serve the same purpose.

A side-by-side comparison of opposer's and respondent-applicant's respective marks show that both are identical:

COBY	COBY

Opposer's mark "COBY" respondent-applicant's mark "COBY"

The letters of both marks are in uppercase print. The font of both marks is virtually identical. There is likelihood that an ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing another, in which case there is confusion of goods. In other words, there is likelihood that confusion may arise. Moreover, actual confusion is not required: Only likelihood of confusion on the part of the buying public is necessary so as to render two marks confusingly similar so as to deny the registration of the junior mark.

However, it must be noted and emphasized that Respondent-Applicant's trademark has been filed for its registration with the Intellectual Property Office (IPO) on *December 2, 2003* earlier than the Opposer's application, which was filed on 19 December 2005.

Section 123.1 (d) of the IP Code provides:

> A mark cannot be registered if it:
>
> (d) Is identical with . . . a mark with an earlier filing or priority date, in respect of
>
> (i) The same goods …
> (ii) Closely related goods …" (Underscoring supplied.)

Therefore, pursuant to Section 123.1 (d) of the IP Code, considering that respondent-applicant field its application for COBY on December 2, 2003 which is much earlier than Opposer's filing of its application for the same mark COBY, hence, Respondent-Applicant has a better right to the mark COBY.

Opposer claims that it is the prior user of the trademark COBY in the United States of America and other countries worldwide for goods in international classes 1, 9, and 16 and services in classes 35, 37, 39 and 42. Nonetheless, Opposer was not able to show evidence to support its claim that it is the prior user of the trademark "COBY".

Moreover, the adoption and use of a trademark, tradename or service mark must be in commerce in the Philippines and not abroad. The goods, business or services in connection with which the mark or tradename is being used must be sold or carried on in the Philippines.

The scope of protection is determined by the law of the country in which protection is sought, and international agreements for the protection of industrial property are predicated upon the same principle. xxx The use required as the foundation of the trademark rights refers to local use at home and not abroad. xxx (2 Callman, Unfair Competition and Trademarks, par. 76.4, p. 1006).

Furthermore, the Supreme Court held that "the use of the mark must be in the country. Foreign use creates no trademark right in the Philippines, following the nationality principle upon which the trademark law rests".

Opposer also argues that its mark is a well-known mark, which deserves protection as consequences of our adherence to the Paris Convention.

Section 123.1, paragraph (e) of the Intellectual Property Code provides that in determining whether a mark is a well-known, account shall be taken of the knowledge of the relevant sector of the public rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark.

Anent thereto, the then Minister of Trade and Industry, Hon. Roberto V. Ongpin, issued the Ongpin Memorandum which established the guidelines in the implementation of Article 6*bis* of the Treaty of Paris relating to the protection of intellectual property rights regarding well known marks. These conditions are:

a.) the mark must be internationally known;

b.) the subject of the right must be a trademark, not a patent or copyright or anything else;

c.) the mark must be for use in the same or similar kinds of goods; and

d.) the person claiming must be the owner of the mark.

A careful perusal o opposer's evidence shows that per the aforementioned criteria, again no sufficient proof was presented such as would merit opposer's mark to be considered as well known: Opposer's mark is registered mainly only in a number of countries in Europe, and North and South America; opposer's evidence does not indubitably show that it is advertised or patronized to a vast geographical area in the main regions around the world but mainly in the United States; and opposer's evidence to show that its products are sold in the Philippines is confined to a handful of stores such as The Electronics Boutique, DIY Shop, Abenson, SM Appliance, SOGO, Automatic Centre, Shopwise, and Rustan Department Store (Annexes "B-1" and "B-7"; and Exhibits "A" and "D"). No proofs were presented which would indicate the year when these products bearing the mark COBY were initially sold at these stores or outlets. Also, it failed to submit evidence of the use of its mark through commercial sales such as sales invoices or receipts to establish sales of its products. Although Opposer submitted copies of the brochures of its products the same not being one of the criteria would not make the mark well known. Lastly, Opposer's advertisements are limited to its product lines, not to geographic areas (Annexes "B-5" and "B-6"; "B-8" and "B-9"; Exhibits "B" and "C", and "E" and "F").

Thus, this Bureau cannot declare that opposer's mark "COBY" is well known.

WHEREFORE, in view of the foregoing, the Notice of Opposition filed by the Opposer is, as it is hereby DENIED.

However, as shown by the records, respondent-applicant, despite due notice failed to file its verified Answer to the NOTICE OF OPPOSITION. Such inaction is indicative of respondent-applicant's lack of concern in protecting its mark which is sanctioned under Sec. 3 (d) Rule 131 of the Rules of Court which states that "a person takes ordinary care of his concern" and the pronounced policy of the Supreme Court laid down in the case of PAGASA INDUSTRIAL CORP. v. COURT OF APPEALS, L-54158, 118 SCRA 526, 533-534, 1982 that "it is precisely the intention of the law to protect only the vigilant, not those guilty of laches."

In view of the foregoing, Application Serial No. 4-2003-011016 for the mark "COBY" used for goods under Class 7, namely television, mini component VCD, CD player, cassette recorders, video CD, DVD audio video, laser disc, VHS tape, radio clocks, radios, and fax machines; Class 11, namely, general electric household appliances such as rice cookers, sandwich makers, hotdog makers, steam iron, turbo broilers, ceiling fans, high velocity fans, pressure cookers, wok, flat irons, oven toasters, stand mixers, hair dryers, desk fans, stand fans, box fans, microwave ovens, coffee makers, lanterns, foot spa, aircondition, kettles, water dispenser, hand mixers, electric airpot, bulbs, lighting fixtures, and lamps; and Class 21, namely, housewares, such as cookware kitchen gadgets, frying pans, and kitchen wares field on December 2, 2003 is hereby considered ABANDONED by respondent-applicant's lack of interest to prosecute application.

Let the filewrapper of "COBY" subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 31 January 2007.

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