

COBY ELECTRONICS,	}	IPC No. 14-2007-00353
<i>Opposer,</i>	}	Case Filed: 10 December 2007
	}	
	}	Opposition to:
	}	
-versus-	}	Appln. Ser. No. 4-2005-002435
	}	Date Filed: 15 March 2005
	}	
ALBERT TAN,	}	
<i>Respondent-Applicant</i>	}	TM: "COBY"
	}	
x-----x	}	Decision No. 2008-222

DECISION

This is a VERIFIED NOTICE OF OPPOSITION filed by COBY ELECTRONICS to the application for registration of the mark "COBY" bearing Application Serial No. 4-2005-002435 filed on March 15, 2005 by Respondent-Applicant Albert Tan for Class 09 namely "AUDIO AND VIDEO EQUIPMENT, NAMELY BLANK AUDIO AND VIDEO HEADPHONES, CABLE, CONNECTORS, AMPLIFIERS, REMOTE CONTROL UNITS, ANTENNAS, SPEAKERS, TELEPHONES, RADIO RECEIVERS, COMPACT DISC PLAYERS AND RECORDERS, TELEVISION SETS, VIDEO CASSETTE CLEANING CASSETTE CARTRIDGES; PORTABLE STEREO SYSTEMS; NAMELY, CLEANING KITS, NAMELY VIDEO CASSETTE CLEANING CASSETTE CARTRIDGES; PORTABLE STEREO SYSTEMS, NAMELY, SPEAKERS, AM-FM RADIO RECEIVERS AND TRANSMITTERS, CASSETTE PLAYER/RECORDERS, HEADPHONES AND EARPHONES, STEREO, STEREO RACK SYSTEM, NAMELY AM-FM RADIO RECEIVERS AND TRANSMITTERS, SATELLITE RECEIVERS, COMPACT DISC PLAYERS, CASSETTE PLAYERS/RECORDERS, LASERS, LASER DISC PLAYERS AND VIDEO CASSETTE RECORDERS, SPEAKERS, EARPHONES AND HEADPHONES, PHONOGRAPH RECORD PLAYERS, AUDIO AND VIDEO STORAGE DEVICES, NAMELY CASES, BOXES, AND CARRYING BAGS FOR COMPACT DISC AND AUDIO AND VIDEO CASSETTE TAPE STORAGE; COMPACT HI-FI STEREO SYSTEMS, NAMELY COMPACT UNITS INCLUDING SPEAKERS, PHONOGRAPH RECORD PLAYERS, CASSETTE [PLAYERS/RECORDERS OR COMPACT DISC PLAYERS, AM-FM RADIO RECEIVERS AND TRANSMITTERS HEADPHONES AND EARPHONES, DVD PORTABLE AUDIO/VIDEO DEVICES", which was published on the August 17, 2007 issue of the Official e-gazette released for circulation on August 17, 2007.

Opposer is a corporation duly organized under the laws of the State of New York, U.S.A., with principal office at 56-65 Rust Street, Maspeth, New York, U.S.A. Respondent-Applicant has a postal address at No. 407 Dasmariñas St., Binondo, Manila.

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

"1. Opposer is the prior user and rightful owner of the trademark COBY in the Philippines under Application No. 4-2005-012452 filed with the Intellectual Property Office on December 12, 2005 for goods in Class 9 including scientific, nautical, surveying, electric, photographic; cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; telephones, cordless telephones, telephone accessories, namely cords, extensions cords, modular plugs and jacks, adaptors, couplers; telephone answering machines; cellular hands free accessories, mobile accessories; caller

id boxes; portable cassette players and recorders; speakers; televisions, colour televisions, closed circuit televisions; televisions with karaoke sing-along systems; radios; clock radios, cd alarm clock radios; headphones; earphones; audio cassette cleaners; ac surge protectors; cameras; battery chargers; audio connecting plugs and cords; batteries; microphones; stereos; stereo systems, stereo shelf systems; portable compact disc players, compact disc portable stereos with black and white television; portable mp3 digital players; digital versatile disc players and accessories, digital versatile disc htip systems, digital versatile disc recorders; portable digital versatile disc players; digital video disc players; digital and compact disc players; digital versatile discs; voltage converters and adapters; ac/dc and voltage converters and adapters, and antennas; video dubbing cables and video connecting plugs, blank video cassette tapes, video cassette cleaners and video cassette rewinders; calculators, satellite radios, gps (global positioning systems), multi-media players. Opposer is the prior user of the trademark COBY in the United States of America and other countries long before applicant appropriated the mark COBY for its own products.

“2. Applicant’s trademark COBY is identical to Opposer’s trademark COBY, and is likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Applicant’s goods either come from Opposer or are sponsored or licensed by it.

“3. The registration and use by Applicant of the trademark COBY will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark COBY, which is an arbitrary trademark when used on Opposer’s products.

“4. Applicant appropriated and used the identical and confusingly similar trademark COBY on his own goods that are competing with the electronic products of Opposer with the obvious intention of misleading the public into believing that his goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the manufacturer of goods bearing the trademark COBY.

“5. The approval of applicant’s trademark COBY is based on false representation that he is the originator, true owner and first user of the trademark, which was merely copied/derived from Opposer’s COBY trademark.

“6. Opposer is the first 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.

“7. Applicant’s appropriation and use of the identical and/or confusingly similar trademark COBY infringe upon Opposer’s exclusive right to the trademark COBY, which is a well-known trademark protected under Section 37 of the old Trademark Law, Section 147 and 165 (2) (a) of the 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 United States of America adhere. The trademark COBY is also the trade name of Opposer, Coby Electronics Corporation, 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 the obligation of filing or registration whether or not it forms part of a trademark.

“8. The registration of the trademark COBY in the name of the applicant is contrary to other provisions of the IP Code.

To support this opposition, opposer will prove and rely upon, among other facts, the following:

“1. Opposer adopted and has been commercially using the trademark COBY for its goods in the United States of America and other countries worldwide long before Applicant’s unauthorized appropriation of the identical or confusingly similar trademark COBY.

“2. Opposer is the first user and registered owner of the trademark COBY in the United States of America under Registration Nos. 1950902 and 1667166, and COBY & Design under Registration No. 1974823. Opposer has also registered COBY in its name in more than eighty 80 countries worldwide including Argentina under Registration No. 1592718, Brazil under Registration No. 81707443, Colombia under Registration No. 167642, El Salvador under Registration No. 223 Book 89, European Union under Registration No. 003337029, Paraguay under Registration Nos. 275678 and 275677, and Venezuela under Registration No. P-185900.

“3. Opposer’s products bearing the COBY trademark are used in commerce in these and other countries and have earned goodwill among consumers who have associated the products bearing the COBY trademark with Opposer as their source or origin.

“4. Opposer’s trademark COBY is an arbitrary trademark and is entitled to broad legal protection against unauthorized users like Applicant who has appropriated the identical or confusingly similar trademark COBY for its own goods.

“5. Opposer is the first user of the trademark COBY for the above-mentioned goods. Applicant has appropriated the identical or confusingly similar trademark COBY in bad-faith for the obvious purpose of capitalizing upon the renown of Opposer’s self-promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer.

“6. The registration and use of an identical or confusingly similar trademark by the Applicant will tend to deceive and/or confuse purchasers into believing that Applicant’s products emanate from or under the sponsorship of Opposer and will damage Opposer’s interests for the following reasons:

- “i) The trademarks are identical or confusingly similar.
- “ii) Applicant’s unauthorized appropriation and use of the trademark COBY will dilute the goodwill and reputation of Opposer’s well-known trademark COBY among consumers.
- “iii) Applicant used COBY on his own products as a self-promoting trademark to gain public acceptability for them through their association with Opposer’s popular trademark COBY.
- “iv) The goods on which the trademarks are used are identical and are sold and advertised to consumers through the same channels of trade.

“7. Applicant intends to trade, and it trading on, Opposer’s goodwill.

“8. The registration and use of an identical or confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark.

“9. Applicant’s infringing use of the trade name and mark COBY is not lawful in commerce and cannot lead to any legitimate acquisition of rights.

On April 16, 2008 Respondent-Applicant filed its Answer and alleged the following admissions/denials to wit:

I. ADMISSIONS/DENIALS

1. Respondent-Applicant

1.0 Admits the data of Application No. 4-2005-002435 as published in the Official Gazette.

1.1 Denies pars. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of the grounds for opposition for being questions of law and not of fact and/or lack of knowledge to form a belief to the truth thereof.

1.2 Denies pars. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of the allegations in support of the opposition.

1.3 The foregoing admissions/denials are further subject to the discussions made in the Affirmative Defenses hereunder detailed.

II. AFFIRMATIVE DEFENSES

1.0 Under the first to file rule in the Intellectual Property Code, it is the Respondent-Applicant who has the better right to the mark COBY for goods falling under Class 9 because his application has an earlier filing date than the application of the Opposer. The records will show that Respondent-Applicant’s application was filed on 15 March 2005 under Appln. Serial No. 4-2005-002435. On the other hand, Opposer’s application was filed only on 12 December 2005 under Application No. 4-2005-12452 (please see allegation in par. 1 of the “grounds for opposition” in page 2 the Opposition. Please see also page 13 of Tab “D” of the Opposition).

2.0 The mark COBY is not internationally known in favor of the Opposer as it is not well-known in the Philippines.

3.0 On the other hand, the Respondent-Applicant is presently selling goods covered by Class 9 under the mark COBY in the Philippines as shown by the different purchase orders made by Do-it-yourself Shop Corporation described in his affidavit, which is incorporated hereto as part of this answer by way of reference.

3.1 Thus, if ever there is goodwill in the mark COBY in the Philippines, it belongs to the Respondent-Applicant.

The Preliminary Conference was initially set on July 2, 2008 and was reset several times to give the parties the chance to explore the possibility of settling the case amicably. However, the failure of respondent-applicant to appear on the Preliminary Conference schedules on August

4, 2008 and September 8, 2008 paved the way for the termination of the Preliminary Conference Order No. 2008-1315 was issued on the same date (08 September 2008) declaring the Preliminary Conference terminated.

To support its Opposition, opposer submitted as evidence Exhibit "A" to "L" while respondent-applicant for their defense submitted Exhibits "2" to "4" inclusive of submarkings.

The issues that will be resolved by this Bureau are the following:

1. Whether or not opposer's trademark "COBY" is an internationally well-known mark in accordance with R.A. 8293 and its Implementing Rules and Regulations, and
2. Whether or not respondent-applicant is entitled to the registration of the mark "COBY" in accordance with R.A. 8293 otherwise known as the Intellectual Property Code of the Philippines.

As to the first issue, this Bureau rules in the negative.

A careful perusal of opposer's evidence shows that no sufficient proof was presented to merit opposer's contention that its mark is well known: opposer's mark is registered mainly in a number of countries in Europe, America, Asia and the Middle East; opposer's evidence does not show that it is advertised and sold to a vast geographical area in main the regions around the world. It is also worth mentioning that the evidence presented are mostly photocopies not original hence, cannot be admitted as evidence. Exhibit "D" which is a list of opposer's notable customers of products sold here in the Philippines and abroad does not prove that opposer's goods bearing the mark "COBY" are being sold here in the Philippines because no proof of commercial sales such as sales invoices or official receipts were presented to prove sale of the product.

In determining whether a mark is well-known, this Bureau refers to the Implementing Rules and Regulation of the IP Code particularly Rule 102 to wit:

Rule 102. Criteria for 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 failure 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.

The failure of opposer to submit evidence to comply to the above mentioned criteria gives no merit to its contention that its trademark COBY is an internationally well known mark.

The failure of opposer to submit evidence to comply to the above mentioned criteria gives no merit to its contention that its trademark COBY is an internationally well known mark.

As to the second issue, this Bureau finds in the Affirmative.

There is no doubt that the marks of the contending parties are confusingly similar to each other for having exactly the same syllables, pronunciation and the goods are both used under class 9. These goods are described as audio and video equipment, namely blank audio and video headphones, cable, connectors, amplifiers, remote control units, antennas, speakers, telephones, radio receivers, compact disc players and recorders, television sets, video cassette cleaning cassette cartridges; portable stereo systems; namely, cleaning kits, namely video cassette cleaning cassette cartridges; portable stereo systems, namely, speakers, am-fm radio receivers and transmitters, cassette player/recorders, headphones and earphones, stereo, stereo rack system, namely AM-FM radio receivers and transmitters, satellite receivers, compact disc players, cassette players/recorders, lasers, laser disc players and video cassette recorders, speakers, earphones and headphones, phonograph record players, audio and video storage devices, namely cases, boxes, and carrying bags for compact disc and audio and video cassette tape storage; compact hi-fi stereo systems, namely compact units including speakers, phonograph record players, cassette [players/recorders or compact disc players, am-fm radio receivers and transmitters headphones and earphones, DVD portable audio/video devices.

Goods are so related when they belong to the same class or have the same descriptive properties, when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery store. (ESSO Standard vs. Court of Appeals, 116 SCRA 336)

However, it is noted and emphasized that respondent-applicant's trademark "COBY" has been filed for registration with the Intellectual Property Philippines on 15 March 2008 under Application No. 4-2005-02435, which is earlier than opposer's application, which was filed only on 12 December 2008 under Application No. 4-2005-12453, hence deserves priority and protection.

Section 123.1 (d) of the IP Code provides:

"A mark cannot be registered if it:

(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

Considering that respondent-applicant's application for Coby on 15 March 2008 is much earlier than opposer's application for the same trademark o 12 December 2008, hence, respondent-applicant has a better right for the trademark "COBY" under the aforementioned provision of Section 123.1 (d) of the IP Code.

Opposer claims that it is the prior user of the trademark Coby in the Philippines, United State of America and other countries worldwide for goods under class 9 deserves scant consideration. No sufficient evidence to prove prior use was presented to substantiate opposer's allegations on the matter. 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 in the Philippines. 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 rest. Bata Industries, Ltd. vs. Court of Appeals, 114 SCRA 318 (Underscoring supplied).

WHEREFORE, the VERIFIED NOTICE OF OPPOSITION is, as it is, hereby DENIED. Consequently, Application Serial No. 4-2005-002435 for the registration of the mark "COBY" for services under Class 9, namely: "AUDIO AND VIDEO EQUIPMENT, NAMELY BLANK AUDIO AND VIDEO HEADPHONES, CABLE, CONNECTORS, AMPLIFIERS, REMOTE CONTROL UNITS, ANTENNAS, SPEAKERS, TELEPHONES, RADIO RECEIVERS, COMPACT DISC PLAYERS AND RECORDERS, TELEVISION SETS, VIDEO CASSETTE CLEANING CASSETTE CARTRIDGES; PORTABLE STEREO SYSTEMS; NAMELY, CLEANING KITS, NAMELY VIDEO CASSETTE CLEANING CASSETTE CARTRIDGES; PORTABLE STEREO SYSTEMS, NAMELY, SPEAKERS, AM-FM RADIO RECEIVERS AND TRANSMITTERS, CASSETTE PLAYER/RECORDERS, HEADPHONES AND EARPHONES, STEREO, STEREO RACK SYSTEM, NAMELY AM-FM RADIO RECEIVERS AND TRANSMITTERS, SATELLITE RECEIVERS, COMPACT DISC PLAYERS, CASSETTE PLAYERS/RECORDERS, LASERS, LASER DISC PLAYERS AND VIDEO CASSETTE RECORDERS, SPEAKERS, EARPHONES AND HEADPHONES, PHONOGRAPH RECORD PLAYERS, AUDIO AND VIDEO STORAGE DEVICES, NAMELY CASES, BOXES, AND CARRYING BAGS FOR COMPACT DISC AND AUDIO AND VIDEO CASSETTE TAPE STORAGE; COMPACT HI-FI STEREO SYSTEMS, NAMELY COMPACT UNITS INCLUDING SPEAKERS, PHONOGRAPH RECORD PLAYERS, CASSETTE [PLAYERS/RECORDERS OR COMPACT DISC PLAYERS, AM-FM RADIO RECEIVERS AND TRANSMITTERS HEADPHONES AND EARPHONES, DVD PORTABLE AUDIO/VIDEO DEVICES" filed by Albert Tan, Inc. on March 15, 2005 is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of this case be forwarded to the Bureau of Trademarks with a copy of this Decision forwarded to said Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, December 15, 2008.

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