

PANVIN INTERNATIONAL CORPORATION	}	IPC No. 14-2002-00008
Petitioner	}	
	}	CANCELLATION OF:
- versus -	}	Cert. of Reg. No. 4-1995-100113
	}	Issued: August 26, 1999
SAMWON ELECTRONICS, INC.	}	Trademark: "SAMWON"
Respondent-Registrant	}	
x-----x		Decision No. 2005-01

DECISION

This is a case for cancellation of trademark registration filed by herein, Petitioner, PANVIN INTERNATIONAL CORPORATION, a corporation organized and existing under the laws of the Philippines with office address at No. 1247 corner Taal and Zobel Roxas Streets, Malate, Metro Manila. Petitioner seeks to cancel Trademark Certificate of Registration No. 4-1995-100113 for the trademark "SAMWON" issued on August 26, 1999 under the name of Respondent-Registrant, SAMWON ELECTRONICS, INC. a corporation organized under the laws of Korea with principal office address at 7th Floor, Samwon Building, 204-5 Nonhyun-Dong, Kangnam-ku, Seoul, Korea.

Records show that on January 27, 1995, herein Respondent-Registrant, SAMWON ELECTRONICS, INC., filed an application based on foreign registration or home registration pursuant to Section 37 of R.A. 166 for the mark "SAMWON" for the following goods: TRANSFORMER, VIDEO GAME SET, VIDEO PHONE, TELEPHONE APPARATUS, TELEVISION RECEIVING SET, TV SATELLITE BROADCAST RECEIVER, ELECTRIC APPARATUS FOR COMMUNICATION, PORTABLE COMMUNICATION APPARATUS, VIDEO TAPE RECORDER, ELECTRONIC DUPLICATOR, BROWN TUBE, VACUUM TUBE, ELECTRONIC TUBES, TELEVISION SET (APPARATUS), COMPACT DISC PLAYER. It matured into a registration and was issued a Trademark Certificate of Registration No. 4-2002-00008 on August 26, 1999.

On April 10, 2002, or within five (5) years from the date of the registration of the mark in controversy herein Petitioner, Panvin International Corporation, believing it will be damaged by the registration of the mark "SAMWON" filed a Petition for Cancellation of said mark in accordance based on the following grounds:

"1. Certificate of Registration No. 4-1995-100113 has been secured fraudulently and contrary to the provisions of Section 4, Chapter II in relation to Section 17, Chapter IV of the then prevailing Philippine Trademark Law, and in violation of the provisions of Section 151 (b) of the Intellectual Property (IP) Code. It must be underscored in this regard that Certificate of Registration No. 4-1995-100113 has been issued pursuant to the said Philippine Trademark Law, albeit actually issued after the effectivity of the IP Code. It is thus imperative and unavoidable to consider the petitioner's vested rights to the trademark "SAMWON" under said law since the issuance of Certificate of Registration No. 4-1995-100113 under the IP Code does not ipso facto negate or obliterate any right of third parties that have been acquired or vested in under the provisions of the Philippine Trademark Law;

"2. More particularly, the mentioned registration was obtained in blatant violation of the specific provisions of Section 4(d) of the Philippine Trademark Law which explicitly disallows of registration of a mark which consists of or comprises "a mark or trademark registered in the Philippines or a mark or trade-name 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 services of the applicant, to cause confusion or mistake or to deceive purchasers;”

“3. Furthermore, the said registration was issued in spite of the fact that the registrant did not actively pursue the issuance thereof. Respondent-Registrant cannot appropriate to its exclusive use of the mark “SAMWON”, which it abandoned even before the actual issuance of the registration certificate. In fact, there has been no bona fide or lawful use of “SAMWON” by the Respondent-Registrant. Hence, the registration has been obtained in gross violation of Rule 37 of the Revised Rules of Practice in Trademark Cases in relation to Section 2-A of the Philippine Trademark Law and in clear disregard of the IP Code and its Implementing Rules and Regulations; and

“4. Cancellation of Certificate of Registration No. 4-1995-100113 is authorized under the provisions of Section 4, Chapter II in relation to Section 17, Chapter IV of the Philippine Trademark Law. Such is likewise authorized under Section 151 of the IP Code, which states that:

“SEC. 151. Cancellation. – 151.1 – A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

(a) Within five (5) years from the date of registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registered mark becomes the generic name for less than all of the goods or services for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation mark has become the generic name of goods or services on or in connection with which has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.
(Underscoring supplied)

Petitioner further relied on the following facts to support its petitioner:

“A. Petitioner is the first lawful user and adopter in commerce in the Philippines of the mark “SAMWON” as applied to, or employed in television, stereos, radio, VHS recorder/player, rewinder, cassette recorder/player, speakers, amplifiers and antennae. As such, petitioner has already vested rights over “SAMWON” under the provisions of the Philippine Trademark Law prior to the filing of respondent-registrant’s erstwhile Trademark Application Serial No. 4-1995-098012;

“B. Because of its long open, continuous and unchallenged usage of the mark “SAMWON” in the Philippines since 1992 and the extensive sale, distribution and promotions thereof, the petitioner reaped a tremendous amount of reputation and goodwill. In fact, the marks “SAMWON” has long been associated with the petitioner for its high quality products. To date, “SAMWON” is already well embedded in the minds of the local purchasing public to be the mark of the petitioner;

“C. As early as 1992, petitioner has adopted and openly used in commerce in the Philippines the trademark “SAMWON” although it was only able to initially file in 1995 an application to register the said trademark with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) to assert and protect its proprietary rights and interest over said trademark. The said application was assigned Serial No. 4-1995-104672 but was unfortunately declared as abandoned due to an honest oversight of the petitioner to timely respond to an examiner’s action and revive the application;

“D. Since Certificate of Registration No. 4-1995-100113 covers goods that are identical to those of petitioner employing the trademark “SAMWON” there is great likelihood that consumers will be confused and deceived into believing that the petitioner’s locally known “SAMWON” products are respondent-registrant’s products; and

“E. The records of the Intellectual Property Office will show that Certificate of Registration No. 4-1995-100113 was only actually issued recently. Verifications revealed that although its precursor (Trademark Application Serial No. 4-1995-098012) was allowed for issuance of certificate of registration, the then applicant (now registrant) Samwon Electronics, Inc. of Korea did not pay the prescribed issuance and publication fees within the prescribed period. In fact, the records do not show that the prescribed issuance and publications fees have indeed been remitted by the said applicant or its resident agent/authorized representative. Such fact notwithstanding, the IPO proceeded to issue Certificate of Registration No. 4-1995-100113 in utter disregard of the Implementing Rules and Regulations of the IP Code.

Let it be emphasized that even a computer search/verification conducted in January of 2002 did not disclose that Trademark Application Serial No. 4-1995-098012 has already matured into Certificate of Registration No. 4-1995-100113. The computer records still indicated at that time that Trademark Application Serial No. 4-1995-098012 as pending.

Thus, it would seem that the respondent-registrant or applicant of Trademark Application Serial No. 4-1995-098012 has not really actively pursued the registration of “SAMWON” even before Certificate of Registration No. 4-1995-100113 was actually released. Be that as it may, the ultimate release of Certificate of Registration No. 4-1995-100113 covering the mark “SAMWON” has been tainted with great irregularity to the prejudice and damage of the petitioner.”

Subsequently, on April 16, 2002, a Notice to Answer was served through registered mail to Samwon Electronics Inc., Counsel on Records, Cesar C. Cruz and Partners requiring the same to file an Answer to Opposer’s Verified Notice of Opposition within fifteen (15) days from receipt thereof. However, despite receipt thereof on May 8, 2002 as shown by the Registry Return Receipt, Respondent-Registrant has not filed said answer nor any motion or pleading related thereto despite due notice. Hence, upon motion to the Petitioner, the Respondent-Registrant was declared in default for failure to file an Answer pursuant to Section 11(b) rule of the Rules and Regulations on Inter Partes Proceedings. Consequently, this case was set for the ex-parte presentation of Petitioner’s evidence.

During the ex-parte presentation evidence, Petitioner presented three (3) witnesses: Mr. Devidas S. Daryani (President of Panvin International Corporation), Ms. Alicia P. Galang (Finance Officer or Comptroller of Panvin International Corporation), Mr. Jovencio Qua (President and Manager of SPECTRA AUDIO/VIDEO, one of the distributors of Panvin International Corporation of "Samwon" Products). Likewise, it formally offered Exhibits "A" to "M" including sub-markings as Petitioner's evidence which were all admitted for whatever purpose they may be worth.

Petitioner raised the following issues:

1. The Respondent-Registrant is not entitled to register the trademark "SAMWON", which is confusingly similar to the trademark "SAMWON" that petitioner had much earlier adopted and used in commerce in the Philippines.
2. The petitioner has already acquired vested trademark rights over its locally known trademark "SAMWON" even before the filing of Respondent-Registrant's trademark application serial no. 98012 on January 27, 1995 for the confusingly similar trademark "SAMWON"
3. The petitioner's prior, superior and vested trademark rights over "SAMWON" and the abandonment by the Respondent-Registrant of the trademark "SAMWON" in the Philippines warrant the cancellation of Trademark Registration No. 4-1995-100113.

Records of the case show that the subject trademark registration was filed and prosecuted under R.A. 166, hence pertinent provision applicable to this case is Sec. 4 (d) of R.A. 166 which provides:

"Sec. 4. Registration of trade-marks, trade-names and service-marks on the principal register. - There is hereby established a register of trade-marks, trade-names and service-marks which shall be known as the principal register. The owner of a trade-mark, 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: (emphasis ours)

--- x x x ---

- (d) consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name 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 services of the applicant, to cause confusion or mistake or to deceive purchasers;

--- x x x ---

Based on the above-quoted provision, the law proscribed the registration of a mark which is confusingly similar to a mark previously used in the Philippines and not abandoned. The determination of confusing similarity typically revolves around the similarity or dissimilarity of the marks and the relatedness of the goods or services. In the case at bar, there is no need to launch a long analysis whether the marks are similar or dissimilar. The two marks are identical in their entireties as to appearance, sound, connotation and commercial impression. Both marks consist of the word "SAMWON" and both are used for electronic goods. Therefore, there is no doubt that the marks are confusingly similar.

With our finding of confusing similarity, the next issue to be resolved is, who has a better right over the mark "SAMWON".

It is undisputed that Petitioner's trademark "SAMWON" is not yet registered with the Intellectual Property Office, but this does not give the right to register the same under its name. Sec. 4(d) of R.A. 166 explicitly states that no marks can be registered if it is confusingly similar with a mark previously used in the Philippines. Under the law, trademarks are protected whether or not registered.

The unrefuted testimony of petitioner's witness, Pr. Devidas S. Daryani, the President of Petitioner company has effectively established the following facts:

- 1) Petitioner has adopted and openly used in commerce in the Philippines the trademark "SAMWON" way back 1992, although it was only able to initially file in 1995 an application to register the said trademark with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT), now Intellectual Property Office (IPO) to assert and protect its proprietary rights and interests over said trademark. The said application was assigned Serial No. 4-1995-104672 but was unfortunately declared as abandoned due to an honest oversight of PANVIN to timely respond to an examiner's action and revive the application (Please see Exhibit "B");
- 2) Petitioner has already amassed tremendous amount of reputation and goodwill through the long open, continuous and unchallenged usage of the mark "SAMWON" in the Philippines since 1992 and the extensive sale, distribution and promotions of the "SAMWON" products. Further, the mark "SAMWON" has long been associated with petitioner for its high quality products and already well embedded in the minds of the local purchasing public to be the petitioner's mark. (Please see Exhibits "C", "C-1", "C-2", "C-3" and "C-4");
- 3) From 1992 to 1995, petitioner promoted, distributed and sold "SAMWON" products amounting to approximately P/ 46, 265, 529.00 and from 1996 to 2000 it has distributed and sold "SAMWON" products amounting to approximately P/177, 312, 997.00 (Please see Exhibits "D", "D-1", "D-2", "D-3", "D-4", "D-5", "D-6", "D-7" and "D-8");
- 4) From 1992 up to the present, the petitioner has been continuously distributing and selling "SAMWON" products through various local stores and dealers; (Please see Exhibits "E", "F", "F-1", "F-2", "F-2", "F-4", "F-5", "F-6", "F-7", "F-8", "F-9", "f-10", "f-11", "F-12", "F-13" and "F-14");
- 5) Certificate of Registration No. 4-1995-100113 covers goods that are identical to those of petitioner employing the trademark "SAMWON". Hence, there is great likelihood that consumers will be confused and deceived into believing that petitioner's locally known "SAMWON" products are products of SAMWON ELECTRONICS, INC.

The above testimony has been corroborated and affirmed by the testimony of Ms. Alicia P. Galang, Finance Officer/Comptroller of Petitioner's company (Please see Exhibits "I" to "I-1" and refer to pages 4 and 5 of transcript of stenographic notes of hearing of January 10, 2003 and page 6 of TSN of hearing of March 10, 2003):

- 1) Since 1992 to date, petitioner has exclusively adopted, openly continuously and extensively used in commerce in the Philippines the trademark "SAMWON" on products such as but not limited to television, stereos, radio, VHS recorder/player, rewriter, cassette recorder/player, speakers, amplifiers and antennae;
- 2) Since 1992 to 1995, petitioner has promoted, distributed and sold "SAMWON" products amounting to more or less P/ 46, 265, 529.00;
- 3) From 1996 to 2000, petitioner has distributed and sold "SAMWON" products amounting to more or less P/ 177, 312, 997.00;

- 4) Since 1992 to 1995, Petitioner has spent more or less the amount of P/100,000.00 in its regular advertisements and promotions of "SAMWON" products;
- 5) From 1996 to 2000, petitioner has spent more or less the amount of P/1,500,000.00 in regular advertisements and promotions of "SAMWON" products;
- 6) From 1992 to date, petitioner distributed and sold "SAMWON" products through several local stores and dealers;
- 7) The Respondent-Registrant did not have any bona-fide commercial use in the Philippines; and
- 8) The Respondent-Registrant has abandoned the mark "SAMWON" in the Philippines before and after the issuance of its Trademark Registration No. 4-1995-100113 on August 26, 1999.

The foregoing testimonies were further supported by Mr. Jovencio Qua, President and Manager of SPECTRA AUDIO/VIDEO of Makati City, a known dealer of electronic and communication products and petitioner's "SAMWON" products who testified as follows:

1. Its company, SPECTRA AUDIO/VIDEO with business address at park Square 1, Ayala Center, Makati City, is lawfully selling and distributing telephone apparatus, television, electric apparatus for communication, portable communication apparatus, video tape recorder, compact disc player, electronic apparatus, square parts and accessories, among others;
2. From 1992 to the present, Mr. Qua's SPECTRA AUDIO/VIDEO has sold and distributed television, stereos, radio, VHS recorder/player, rewriter, cassette recorder/player, speakers, amplifiers and antennae bearing the trademark "SAMWON" owner by petitioner, with current business address at No. 1247, corner Taal and Zobel Roxas Streets, Malate, Metro Manila;
3. His SPECTRA AUDIO/VIDEO has been dealing only with the petitioner in its sale and distribution of "SAMWON" products in the Philippines;
4. His SPECTRA AUDIO/VIDEO has recognized fully petitioner as the only owner of the trademark "SAMWON" the "SAMWON" products in the Philippines;
5. SPECTRA AUDIO/VIDEO has recognized fully that except for the petitioner, there is no other person or entity in the Philippines claiming ownership over the trademark "SAMWON" and the "SAMWON" products;
6. The Respondent-Registrant did not have bona-fide commercial use in the Philippines; and
7. The Respondent-Registrant has abandoned the mark "SAMWON" in the Philippines before and after the issuance of its Trademark Registration No. 4-1995-100113 on August 26, 1999.

(Please see Exhibits "J" to "M-4" and pages 5 and 6 of TSN of hearing of March 10, 2003):

On the other hand, since Respondent-Registrant had been declared in default this Office can only take judicial notice of the documents filed by it which are found on this Office can only take judicial notice of the documents filed by which are found on records. After consideration of all the documents on record, this Office finds that Respondent-Registrant failed to prove its entitlement to the mark in controversy.

Records show that Respondent-Registrant's registration of the mark "SAMWON" on August 26, 1999 was issued only based on home registration and not on actual use in commerce which only creates a prima facie presumption of validity of registration, not ownership. Registration does not perfect a trademark right (*Unno commercial Enterprises, Inc. vs. General Milling Corporation, 120 SCRA 811*). It is actual use in commerce which gives birth to the right of ownership over a trademark. For trademark creation of use, adoption alone of a trademark would not give exclusive right thereto for adoption in not use (*Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, 27 SCRA 1225*).

After consideration of all the testimonial and documentary evidence submitted as well as the records of the case, this Office finds that Petitioner has convincingly establish not only the prior and superior vested trademark rights over the trademark "SAMWON", but also the undisputed local fame of the said trademark as one belonging to the Petitioner.

In sum, the Respondent-Registrant is not entitled to register the trademark "SAMWON" since it is confusingly similar to the trademark "SAMWON" that petitioner has much earlier adopted and used in commerce in the Philippines.

WHEREFORE, premises considered, the Petitioner for Cancellation filed by Panvin International Corporation is, as it is hereby, GRANTED. Consequently, Trademark Certificate of Registration No. 4-1995-100113 for the trademark "SAMWON" for Transformer, Video Game Set, Video Phone, Telephone Apparatus, Television Receiving Set, TV Satellite Broadcast Receiver, Electric Apparatus for Communication. Portable Communication Apparatus, Video Tape Recorder, Electronic Duplicator, Brown tube, Vacuum Tube, Electronic Tubes, Television Set (apparatus), Compact Disc Playuer issued to SAMWON ELECTRONICS, INC. is as it is hereby, CANCELLED.

Let the filewrapper of "SAMWON" subject matter of this case be forwarded to the Administrative, Financial and Human Resources Development Services Bureau for appropriate action in accordance with this Decision, with a copy thereof to be furnished the Bureau of Trademarks for information and to update their records.

SO ORDERED.

Makati City, January 28, 2005.

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