

PHILIPS EXPORT B.V.,  
Opposer,

INTER PARTES CASE NO. 2010

OPPOSITION TO:

- versus -

Application Serial No. 55690  
Filed : February 12, 1985  
Applicant : Standard Philips  
Corporation  
Trademark : STANDARD-PHILIPS  
& DEVICE  
Used on : Chains, rollers, belts,  
bearings and cutting saw

STANDARD PHILIPS CORPORATION,  
Respondent-Applicant.  
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DECISION NO. 88-35 (TM)  
June 17, 1989

### DECISION

This is an Opposition to the application for registration of trademark "STANDARD-PHILIPS & DEVICE" for chains, rollers, belts, bearings and cutting saw filed on February 12, 1985 by the Standard Philips Corporation under Application Serial No. 55690 published in the Official Gazette on November 25, 1985, Volume 81, No. 47 and released on August 25, 1986.

Opposer is a foreign corporation organized under the laws of The Netherlands with business address at Groenewoudseweg, Eindhoven, The Netherlands while Respondent-Applicant is a domestic corporation organized under the laws of the Philippines with business address at 232 M. H. del Pilar Street, Malabon, Metro Manila, Philippines.

From the evidence presented, it appears that Opposer is the registered owner and assignee of the following trademarks, together with their products:

- (1) Trademark "PHILIPS" covered by Certificate of Renewal No. R-1651 issued on September 9, 1976 in favor of N.V. Philips Gloeilampenfabrieken (N. V. Philips) and assigned to the Opposer (Exh. "A"). The original certificate of registration was Certificate of Registration No. 5212 issued on April 23, 1956 to W. V. Philips covering the following goods which now fall under Classes 9, 10 and 11:

Electric lamps of all types, including incandescent lamps, fluorescent lamps, discharge lamps, lamps for photographic purposes; photographic flashbulbs; electric lighting fittings, fixtures and equipment; radio receiving sets and component parts; loudspeakers, radio gramophones; gramophone record players, gramophone record changers, parts thereof and accessories thereto; electronic tubes; infrared irradiation apparatus and lamps for Industrial purposes; electric household appliances, including flatirons, toasters, hot-plates, floor polishers, vacuum cleaners and fans; sound recording, reproducing and amplifying apparatus and parts thereof and fittings therefore; electric measuring instruments and apparatus, parts thereof and accessories thereto; battery chargers; electric shaving apparatus; ultra-violet and infrared irradiation apparatus and lamps for medical purposes; X-ray apparatus and equipment, X-ray tubes and shields, parts thereof and accessories thereto.

Emphasis is made of the fact that N. V. Philips, Opposer's predecessor-in-interest, claimed first use in commerce in the Philippines of the trademark "PHILIPS" since September 30, 1922 in connection with the above-mentioned goods.

- (2) Trademark "PHILIPS & SHIELD EMBLEM" covered by Certificate of Renewal No. R-1674 issued on October 28, 1976 in favor of N. V. Philips-and assigned to the Opposer (Exh. "B"). Original certificate of registration was Certificate of Registration No. 5213 issued on April 23, 1956 in favor of N. V. Philips covering the same goods as that in Registration No. 1674 above stated.

It is likewise stressed that N. V. Philips claimed July 31, 1938 as the date of first use of the trademark "PHILIPS & SHIELD EMBLEM" in the Philippines.

Furthermore, Opposer had filed trademark Application Serial No. 50470 (Exh. "C") and Application Serial No. 50471 (Exh. "D") in the Philippine Patent Office on February 24, 1983 for the trademarks "PHILIPS SHIELD EMBLEM" and "PHILIPS", respectively, for goods falling under International Classes 7, 8, 9, 10, 11, 14 and 16 based on Benelux Registration Nos. 377,600 and 377,599.

Opposer likewise presented as evidence the decision of the Director of Patents in the case of "Philips Export B.V. vs. Armstrong Industries, Inc." in Inter Partes Case No. 1822 issued on May 24, 1985 (Exhs. "L" and "L-1"). This decision involved an opposition filed by the herein Opposer against the application for registration of the trademark "PHILLIPS IMPERIAL SHIELD DESIGN" for lathe machines which fall under International Class 7 filed by Armstrong Industries, Inc. Opposer made direct reference to the enumeration of invoices presented as evidence by herein Opposer in that case to establish the fact that as early as March, 1981 up to 1984 it had shipped to wholly owned subsidiaries in the Philippines "Philips Components Philippines, Inc., Philippine Glass Bulbs, Inc. and Philips Electrical Lamps, Inc. -- machineries and accessories for assembly of semi-conductor and glass finishing and machinery parts" (Exhs. "L-41", "L-5", "L-6" and "L-7"). These goods fall under International Class 7.

Opposer likewise submitted the annual report of Philips Group of Companies for 1984 (Exh. "K") and focused attention to Pages 100 to 103 thereof (Exh. "K-1") containing a list of about 100 companies located in about 60 countries which belong to the Philips Group. It is noted that in almost all cases, the names of these companies carry "PHILIPS". A significant factor for consideration is the amount of sales of Philips Group which is 53,804 million guilders in 1984 (Page 104 of Exh. "K"), or roughly 20 billion in U. S. dollars.

In the case of Respondent-Applicant, it is reiterated that it filed its application for "STANDARD-PHILIPS & DEVICE" for chains, rollers, belts, bearings and cutting saw (International Class 7) on February 12, 1985 with this Bureau, claiming as date of first use in the Philippines November 5, 1984.

The issue in this case is whether Respondent would be entitled to the registration of "STANDARD-PHILIPS & DEVICE" or, stated otherwise, is this mark confusingly similar to the trademarks "PHILIPS" and "PHILIPS & SHIELD EMBLEM" owned by the Opposer?

Respondent's arguments rest on its claim that the mark "STANDARD-PHILIPS & DEVICE", is different from that of the Opposer's in terms of overall appearance, construction, pronunciation and color scheme; and that the goods covered by the contending marks are unrelated and non-competing. It also presented a copy of the decision of the Securities & Exchange Commission dated January 13, 1987 in SEC Case No. 2743 involving the same parties, which found that the Opposer has no monopoly or exclusive right on the name "PHILIPS" as there are several companies listed in the Philippine Long Distance Telephone Directory using the name "PHILIPS" as part of their corporate name.

Regarding Respondent's claim of dissimilarity between the contending marks, it is highly material to relate this to the question involving the claim of the opposer that "PHILIPS" and "PHILIPS SHIELD EMBLEM" have acquired the status of well-known marks in the Philippines as well as internationally.

It must be stressed that in every case involving the issue of confusing similarity between marks, the basic standard is whether or not the adoption or use of a subsequent mark by another would likely deceive the public or commit a mistake regarding the source or origin of the goods using that mark to be the same as that of an existing mark owned and used by another. If the earlier used mark has acquired a high degree of popularity and acceptability over a long period of time, a fact that may be determined principally from the volume of the sales of products bearing the mark, the degree of protection that such mark deserves would be relatively higher over those not as well known. Judicial notice is taken of the fact that the marks "PHILIPS" and "PHILIPS SHIELD EMBLEM" have been subject of two inter partes cases and one ex parte case, particulars of which are:

1. Philips Export B.V. vs. Jose Lee Koe Lion Hoc, Inter Partes Case No. 1759, an opposition filed by Philips Export B.V. to the application for registration of the trademark "BRIDGESTONE PHILIPS" for use on ballasts;
2. Philips Export B.V. vs. Armstrong Industries, Inc., Inter Partes Case No. 1822, an opposition filed by Philips Export B.V. against the application for registration of "PHILIPS SHIELD EMBLEM" for use on lathe machines; and
3. Ex Parte Case No. 209 regarding an appeal to the Director from the refusal of the Examiner to allow registration of the mark "HOLLAND PHILIPS" used on electrical ballasts.

In Inter Partes Cases Nos. 1759 and 1822, this Bureau upheld the opposition, and in Ex Parte Case No. 209 denied the appeal citing, among others as a justification therefor, the fact that "PHILIPS" and "PHILIPS SHIELD EMBLEM" owned by Philips Export B.V. have acquired the status of well-known marks.

Thus, in Inter Partes Case No. 1759, the Director of Patents held:

"From the facts gathered, the trademarks 'PHILIPS' and 'PHILIPS SHIELD EMBLEM' have been in existence for the last thirty (30) years and used by the herein Opposer and its predecessor-in-interest as owner who have been identified as the source of the goods sold to the public as belonging to them. Said marks which this Office is willing to concede have become popular in the Philippines and perhaps in other countries of the world as belonging to the Opposer for all types of fluorescent lamps, ballasts and other electrical accessories." (Opposer's Memorandum dated August 8, 1984)

In Inter Partes Case No. 1822, the Director of Patents quoted in toto the reasoning or arguments in Inter Partes Case No. 1759 to likewise uphold the opposition of herein Opposer.

In Ex Parte Case No. 209, the Director of Patents expressly stated that: "'PHILIPS' is considered a well-known mark in the Philippines for electric lamps and internationally as well. The rejection by the Examiner is clearly in keeping with the Memorandum-Circulars issued by the then Minister of Trade and Industry to the Director of Patents on November 20, 1980 and October 25, 1983, which in essence directed the Director of Patents to comply with our commitment to the Paris Convention in giving protection to signature and other world-famous trademarks. Article 6bis of the Convention of Paris for the Protection of Industrial Property provides:

“The countries of the Union undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use of a trademark which constitutes a reproduction, imitation or translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of the present Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

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Following the finding of fact in the aforesaid decisions that “PHILIPS” and “PHILIPS SHIELD EMBLEM” are well-known trademarks, which conclusion is supported by Opposer’s evidence in this case, the fundamental question as to whether or not the consuming public would likely be deceived that the Opposer is the owner of the goods of Respondent’s bearing “STANDARD-PHILIPS & DEVICE” would have to be answered in the affirmative.

The following quotation from the decision of the Intermediate Appellate Court in Hitachi Limited vs. Virginia R. Zepeda, AC-G.R. 15341-SP dated September 29, 1983 is therefore highly relevant:

“Respondent-Registrant’s choice of the mark ‘HITACHI & DEVICE’ which when used separately on the same or identical goods to Petitioner’s internationally known or world-famous marks for electrical and electronic appliances tends to show that Respondent-Registrant merely intends to ride on the popularity and established goodwill of Petitioner’s business throughout the world. This appears to be a clear case of deceiving purchasers as contemplated in Sec. 4 (d) of R.A. 166, as amended.”  
(Underscoring supplied)

As a consequence of the finding that “PHILIPS” has achieved a high degree of reputation and goodwill in the Philippines, its incorporation as part of a trademark of another person, as in this case, on the basis of the test of dominancy applied in similar cases, would arrive at the same result.

In Philippine Nut Industry, Inc. vs. Standard Brands, Inc., 65 SCRA 575, the Court held:

“In the cases involving infringement of trademark brought before the Court, it has been consistently held that there is infringement of trademark when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; that whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the ‘test of dominancy’, meaning, if the competing trademark contains the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place; that duplication or imitation is not necessary, a similarity in the dominant features of the trademarks would be sufficient.”

Regarding Respondent’s claim that the goods sought to be covered by its trademark “STANDARD-PHILIPS & DEVICE” are not related or not competing with other goods in connection with which “PHILIPS” and “PHILIPS SHIELD EMBLEM” are used, this is without basis. The Opposer has submitted documentary evidence (Exhs. “L-4” to “L-7”) to show that it had shipped to its subsidiaries in the Philippines equipment, machines and their parts which fall under international class where “chains, rollers, belts, bearings and cutting saw”, the goods in connection with which Respondent is seeking to register “STANDARD PHILIPS” and “PHILIPS & SHIELD EMBLEM”, also belong.

A standard usually followed in determining whether the goods are related is whether or not they flow through the same channels of trade. Under this rule, not only the machine or machine parts, but also electric lamps for which "PHILIPS" and "PHILIPS & SHIELD EMBLEM" have achieved popularity may be considered related to chains, rollers, belts, bearings and cutting saw because they are usually sold through hardware stores. As they are largely sold or distributed through the same channel of trade, likelihood of confusion of the public would be real.

Regarding the citation made by the Respondent of the decision of the Securities & Exchange Commission which upheld the view of the Respondent that it cannot be required to delete "PHILIPS" from its tradename, this Bureau is not persuaded that such decision would have any binding effect in the exercise of its discretion in resolving the issue in this case. Firstly, the issue in this case is the registrability of a trademark in the resolution of which this Bureau is guided by Section 4 of Republic Act No. 166, and the decisions of the Supreme Court on this question, while the Securities & Exchange Commission had to be guided by the Corporation Code and relevant decisions on the matter.

Presiding from legal technicalities, one clear distinction is perceived to be apparent -- that the protection of the public against confusion or deception through the use or registration of confusingly similar trademarks may be given more significance because of the likelihood that the damage would be more extensive or pervasive than the possible confusion of business names particularly in cases of corporations or entities not engaged in rendering services but rather in the manufacture or distribution of consumer items. There is, therefore, a rational basis for this Bureau to apply the provisions of Republic Act 166 according to its perception independently of or not influenced by a decision of the Securities & Exchange Commission on the propriety of use of a word as part of tradename.

WHEREFORE, the herein Notice of Opposition is GRANTED. Accordingly, Application Serial No. 55690 for the registration of the mark "STANDARD-PHILIPS & DEVICE" in the name of Respondent-Applicant is DENIED.

Let the records of this case be forwarded to the Trademark Examining Division for appropriate action in accordance herewith.

SO ORDERED.

IGNACIO S. SAPALO  
Director