

PIONEER KABUSHIKI KAISHA,
Opposer,

Inter Partes Case No. 3515

-versus-

Opposition to:

Application Serial No. 53673
Date Filed: April 26, 1984
Trademark: "Pioneer"

CLEMENTE LAM,
Respondent-Applicant.

Decision No. 200-31

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DECISION

This is an opposition filed by Pioneer Kabushiki Kaisha ("Opposer"), a corporation organized and existing under the laws of Japan, against the application for registration by Clemente Lam ("Respondent"), a citizen of the Philippines, of the mark "Pioneer" for use on transformers under Class 9 of the classification of goods.

Opposer filed its Notice of Opposition on January 8, 1990, alleging the following grounds:

"1. The Opposer PIONEER KABUSHIKI KAISHA, also trading as Pioneer Electronic Corporation, is an old establishment and has become well-known throughout Japan and the United States of America and other countries and territories of the world. Opposer is the owner of Certificate of Registration No. 11977 covering the trademark PIONEER used on radio and television receiving sets, amplifiers, electric phonographs, Hi(gh)-F(delity) stereo type electric phonograph and multiple speaker units, speakers, sound recording and reproducing apparatuses, telephone answering and message recording devices, microphones, pick-ups, phonomotors, and parts and accessories for these goods in Class 10; Certificate of Reg. No. 11964 covering the trademark PIONEER used on radio and television receiving sets, amplifiers, electric phonograph and multiple speakers units, speakers, sound recording and reproducing apparatuses, telephone answering and message recording devices, microphones, pick-ups, phonomotors and parts and accessories under Class 20; Certificate of Registration No. 28878 also covering the trademark PIONEER used on electrical apparatus and instruments relative to audio and video transmitting and receiving and recording and reproducing systems; namely, audiovisual teaching apparatus; automatic telephone answering and recording machines and remote control oscillators thereof; dictating machines; cable television equipments; radio and television transmitting and receiving sets including auto radio receiving sets; audio and video tape dubbing apparatus; video displays; video tape, cassette and disc recorders and players; magneto electric transducers; demagnetizers; unrecorded and prerecorded audio and video tapes and cassettes; phonographs records; video discs; electric phonographs; record players; motors for audio and video tape, cassette and disc recorders and players and for phonographs under Class 9; pick-ups, tone arms; loudspeakers; speaker systems; headphones; earphones; microphones; microphone mixers, switches; antennas; electron guns; public address apparatus; transceivers; interphones; dry batteries; Ac power adapters; tuners; amplifiers; receivers (tuner-amplifier combinations); audio tape, cartridge and cassette recorders and players with or without radio receiving sets and other combination of these goods; parts and fittings included in classes 9 and 20 for all the aforesaid goods; Certificate of Registration No. 31231 covering the trademark "PIONEER" used on electric apparatus and instruments relative to audio and video transmitting and receiving and recording and reproducing

system; namely; audiovisual teaching apparatus; automatic telephone oscillators thereof; dictating machine; cable television equipments; radio and television transmitting and receiving sets including auto radio receiving sets and monitor television receiving sets; audio and video tape dubbing apparatus; video display; video tape, cassette and disc recorders and players; magnetoelectric transducers; demagnetizer; unrecorded and prerecorded audio and video tapes and cassettes; phonograph records; video disc; electric phonographs; record player; motors for audio and video tape, cassette and disc recorders and players and for phonographs; record player; motors for audio and video tape, cassette and disc recorders and players and for phonographs; pick-ups; tone arms; loudspeakers; speaker systems; headphones; earphones; microphones; microphone mixers, switches, antennas; electron guns; public address apparatus; transceivers; interphones; dry batteries; AC power adapters; tuners; amplifiers; receivers (tuner-amplifier combinations); audiotape cartridge and cassette recorders and players with or without radio receiving sets and other combinations of these goods, parts and fittings included in classes 9 and 20 for all the aforesaid goods; and Certificate of Registration No. 33524 issued on August 8, 1984 covering the trademark "PIONEER" used on electrical machinery and implements, electric communication machinery and implements, applied electronic machinery and apparatus (excluding those belonging to medical instruments), electrical materials in Class 9; musical instruments, musical performance auxiliary instruments, gramophone (excluding electric phonograph), records, their part and accessories in Class 15. (underscoring supplied)

"2. The Opposer's trademark PIONEER is well-known in the Philippines and throughout the world (over 130 countries and territories) and have an excellent reputation because of the high and superior quality of the Opposer's products.

"3. The Opposer's date of first use of the trademark PIONEER was on March 1939 and the date of first use in commerce and/or trade in the Philippines was on October 1960.

"4. The aforesaid has been in actual use in commerce and/or in the Philippines continuously since then.

"5. The Opposer respectfully alleges that the applicant's act in adopting a trademark similar or identical to that of Opposer was made with the illegal and immoral intention of cashing in on the goodwill and popularity of Opposer's reputation and will cause great and irreparable damage and injury in the Opposer pursuant to Section 8, and other pertinent provisions of Republic Act No. 166, as amended, and Rule 187 of the Revised Rules of Practice in trademark Cases.

"6. Opposer also respectfully alleges that the applicant's use of the Opposer's trademark of part thereof must necessarily result in confusion and deception of the public.

"7. Opposer's prior use and world wide notoriety of its aforesaid trademark, casts doubt as to the good faith on the part of the applicant in adopting the trademark subject of opposition.

"8. Opposer also respectfully alleges that under Article 6, 6 quinquies and 8, and other pertinent provisions of the Convention of Paris for the Protection of Industrial Property of 20th March, 1983, as amended, of which Japan and the Republic of the Philippines are member countries, as well as decision of the Philippine Supreme Court, the Opposer's trademark should be protected and applicants trademark should be denied outright registration it appearing very clearly that the applicant's trademark is identical to that of the Opposer and is

being registered for the same class of goods covered by the Opposer's Certificate of Registrations hereinabove described.

"9. Other documents supporting this opposition will be filed later and/or presented in the course of the proceedings in the above-entitled case."

In its Answer dated February 26, 1990, Respondent denied the material allegations of the Opposition and raised the following affirmative and special defenses:

"2. That Respondent's trademark "Pioneer" inside a diamond design has been continuously used on its goods since it started operations since 1951 to the present.

"3. That said mark "Pioneer" inside a diamond design was allowed registration with the then Philippine Patent Office, now Bureau of Patents, Trademark and Technology Transfer (BPTTT), under Registration Certificate No. 9297 issued on November 9, 1961 in accordance with R.A. No. 166, as amended, but was canceled for our negligence in the periodic filing of Affidavit of Use.

"4. That said trademark has been used since and up to now is still being used by the Applicant on its transformer products only.

"5. That herein application, as a consequence of our failure by oversight to file the periodic Affidavit of Use, is merely for the re-registration of said mark in my name as the first owner and user of the mark in the Philippine jurisdiction.

"6. That the element of Territoriality, when it comes to the use and ownership of trademarks, is observed here and in other member countries of the Paris Convention."

Upon joinder of issues, the case was set for pre-trial conference, but as the parties failed to arrive at an amicable settlement, the case went to trial on the merits.

During trial, Respondent repeatedly failed to appear despite proper service and receipt of notices, and was subsequently declared as having waived his right to present evidence under Order No. 96-68 dated January 29, 1996.

Opposer presented and formally offered Exhibits "A" to "I" and their sub-markings consisting of the following: pre-trial brief (*Exh. "A" to "A-2"*); Registration No. 31231 for the mark "Pioneer" and related attachments (*Exh. "B" to "B-2"*); Registration No. R-11964 and related attachments (*Exh. "C" to "C-4"*); Registration No. 11977 and related attachments (*Exh. "D" to "D-4"*); Registration No. 33524 and related attachments (*Exh. "E" to "E-3"*); various advertising materials (*Exh. "F" to "G" and sub-markings*); list of trademark registrations in Japan for the mark "Pioneer" and logo (*Exh. "H" to "H-1"*); and list of trademark registrations in the United States, Europe, Asia, Africa and Oceania (*Exh. "I" to "I-22"*.) These documents were admitted in evidence under Order No. 98-104 dated March 23, 1998.

After submission of Opposer's Memorandum on July 29, 1998 and Respondent's Memorandum on November 15, 2000, the case was deemed submitted for decision on the issue of whatever or not the registration of Respondent's mark "Pioneer" should be allowed.

Opposer contends that the mark of Respondent should not be registered because it would result to confusion and deception of the public, that it is the prior user of the mark, and that its mark is well-known entitled to protection under the provisions of Article 6bis of the Paris Convention.

Under Sec. 4(d) of Rep. Act No. 166, a mark may not be registered if it 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.

Respondent's mark as it appears in the drawing on the Bristol board consists of the word "Pioneer" placed inside a diamond-shaped figure, while Opposer's mark consists of the same word "Pioneer" written in plain, bold style. There is no question that both marks have the same spelling, sound and pronunciation.

Aside from the similarity of the marks, the goods of the parties also fall under the same class. Respondent uses his mark exclusively on transformers under Class 9, while Opposer uses its mark on various electrical apparatus and instruments relative to audio and video transmitting, receiving, recording and reproducing systems under Class 9, as well as on various equipment and implements under Classes 15 and 20.

Considering the similarity of the marks and class of goods, it is necessary to determine whether confusion or deception of the public is likely to occur so as to preclude the registration of Respondent's mark.

Respondent deals exclusively with transformers, which is a general electrical item used to step-up or step-down transmission voltage. On the other hand, Opposer products relate to electrical items and instruments relative to audio and video transmitting, receiving, recording and reproducing systems under Class 9, as well as related parts and accessories under Classes 9 & 20, including musical instruments and accessories under Class 15. Some of the products it advertises in print include radio cassette recorders, microphones, blank cassette tapes, car stereos, and sound systems. (*Exh. "F" to "G" and their sub-markings*). It must be noted that while Opposer uses its mark on many products, it does not use the mark on transformers because the latter is not included in the list of goods in Opposer's certificates of registration. (*see Exh. "B" to "E" and their sub-markings*).

The general rule under Sec. 20 of Rep. Act No. 166 is that a certificate of registration of a mark or trade name shall be prima facie evidence of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein. This means that the protective mantle of the Trademark Law extends only to goods used by the first user as specified in the certificate of registration following the clear message conveyed in Section 20. [*Faberge v. IAC, 215 SCRA 316 (1992)*]. Opposer can therefore use its mark on all the goods listed in its various certificates of registration except transformers.

In determining the likelihood of confusion, the fact that the goods belong to the same class is not [t]he decisive factor in the resolution of whether or not they are related goods because emphasis should be on similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics, and that the mere fact that one person has adopted and use of the same trademark by others on unrelated articles of a different kind." [*Hickok Mfg. V. CA, 116 SCRA 387 (1982)*; *see also Phil. Refining Corp. v. Ng Sam, 115 SCRA 472, (1982)*].

A perusal of Opposer's certificates of registration indicates that the goods listed therein do not compete with the goods of Respondent. Transformers are used to step up or down voltage transmission, and may be used in industrial plants or for domestic purposes depending on its size and capacity. On the other hand, the product lines of Opposer consisting mainly of cassette recorders, car stereos, blank tapes, and related equipment and accessories are household appliances that are used for personal purposes, like entertainment and similar activities. Thus, while the goods of the parties use electricity in order to function, they do not

necessarily serve or perform the same function, and for this reason, cannot be said to be related to each other, or flow in the same channels of trade.

In *Phil. Refining Co. v. Ng Sam*, 115 SCRA 472 (1982), it was held that ham was not related to cooking oil, detergent, etc., thus:

“Ham is not a daily food fare for the average consumer. One purchasing ham would exercise a more cautious inspection of what he buys on account of its price. Seldom, if ever, is the purchase of said food product delegated to household helps, except perhaps to those who, like the cooks, are expected to know their business. Besides, there can be no likelihood for the consumer if respondent’s ham to confuse its source as anyone but respondent. The facsimile of the label attached by him on his products, his business name “Sam’s Ham and Bacon Factory” written in Bold white letters against to a reddish orange background is certain to catch the eye of the class of consumers to which he caters. xxx In addition, the goods of petitioners are basically derived from vegetable oil and animal fats, while the product of respondent is processed from pig’s legs. A consumer would not reasonably assume that petitioner has so diversified its business as to include the product of respondent.”

It has also been held that “[h]andkerchief, underwear, wallet and belt are not related to shoes because they flow in different channels of trade.” *Hickok Mfg. V. CA*, 116 SCRA 387 (1982)].

Moreover, there is no evidence that the herein Opposer has ventured in the production of transformers as to confuse consumers as to the source or origin of that product. In *Faberge v. IAC*, 215 SCRA 316 (1992), the Supreme Court held that:

“Inasmuch that Petitioner has not ventured in the production of briefs, an item which is not listed in the certificate or registration, Petitioner cannot and should not be allowed to feign that private respondent had invaded petitioner’s exclusive domain.” (underscoring supplied)

The evidence on record further suggests that no confusion would arise if we consider the dates of registration and use of the contested mark. Respondent filed his application on April 26, 1984, seeking the re-registration of the mark “Pioneer” previously registered under Registration No. 9497 issued on November 9, 1961 which was cancelled for his failure to file the affidavit of use. In his application, Respondent claimed that he has been using the said mark on transformers since February 1, 1951, but this allegation cannot be relied upon since he failed to present any evidence on that point and was in fact declared as having waived his right to present evidence. Thus, we can only take notice of the existence of the mark’s previous registration under Registration No. 9497 issued on November 9, 1961.

On the other hand, Opposer’s mark is covered by several subsisting registrations and used for various classes of goods. Under *Registration No. 31231 issued on October 7, 1982 (Exh. “B-3”)*, no date of first use was indicated so that Opposer is deemed to have first used the marks in the Philippines on February 10, 1977 when the application was filed according to the provisions of Section 37 of Rep. Act No. 166. [see *Sec. 173 of the Rules of Practice in Trademark Cases*].

Another certificate in the name of Opposer is *Registration No. R-11977 issued on Novemebr 26, 1965 and renewed on November 26, 1985 (Exh. “D”)*, which shows that Opposer began using the mark in the Philippines for the goods specified therein on October 9, 1960. However, since no evidence was presented as to alleged date of first use, Opposer is deemed to have first used the mark on September 7, 1964 when the application was filed (see *Exh. “D-1”*).

Under *Registration No. 33524 issued on August 6, 1984 (Exh. "E-3")*, Opposer did not indicate any date of first use in the Philippines, hence, should be deemed to have first used the mark on January 14, 1980 when its application was filed under the provisions of Section 37 of Rep. Act No. 166.

Opposer also has a subsisting registration for its house mark consisting of a device similar to the Greek letter "alpha" under *Registration No. R-11964* issued on November 26, 1965 (*Exh. "C" and sub-markings*) and late renewed on November 26, 1985, for use on various goods falling in *Class 10*. The same certificate indicates that the mark was first use in the Philippines on October 9, 1960, but since no evidence was presented to show this fact, Opposer is deemed to have first used the mark on September 7, 1964 when the application for registration was filed.

Based on the above documentary evidence, it appears that Respondent was the earlier registrant of the mark "Pioneer" under *Registration No. 9497* issued on November 9, 1961, compared to the certificates of Opposer under *Registration No. R-11977* and *R-11964* that were issued on November 26, 1965. The other certificates under *Registration No. 31231* and *Registration No. 33524* were issued much later on October 7, 1982 and August 6, 1984, respectively.

While it may be true that *Registration No. 9497* was cancelled for the failure of Respondent to file the affidavit of use, there is no evidence to support a finding of abandonment of the use of the mark because by the mere filing of another application for registration on April 9, 1984, Respondent clearly wanted to assert his ownership and right to use the mark.

We also note that when *Registration No. 11977 (for Class 20)* in the name of Opposer was issued on November 26, 1965, *Registration No. 9497 (for Class 9)* in the name of Respondent was already subsisting. In other words, Opposer was able to secure the registration of the mark "Pioneer" in 1965 despite the existence of *Registration No. 9497* that was issued in 1961. This could only mean that the two marks have co-existed for a long time, and Opposer cannot possibly use its other registrations that were obtained much later in time to defeat the right of Respondent who was clearly the prior and earlier registrant of the mark "Pioneer" for use on transformers in Class 9. In fact, Opposer was only able to secure the registration of the mark for goods in Class 9 on October 7, 1982 when *Registration no. 31231* was issued, or seventeen (17) years after *Registration No. 9497* in the name of Respondent was issued.

We also cannot give credence to the allegation of Opposer that its mark is well-known since the evidence presented to prove the same consisted of a mere list and not copies of the registrations of the mark in other countries. (*Exh. "H" to "I" and their sub-markings*). Even if we give weight to the said list, Opposer's mark could not be considered well-known in 1961 when the registration of Respondent was issued. The mark of Opposer only had very few registration at the time, and cannot qualify as a well-known mark according to the criteria provided in the Ongpin Memorandum. [*see Exh. "I" and sub-markings, referring to the registrations of the mark "Pioneer" in the United States on April 26, 1960, Argentina on November 15, 1956 and October 16, 1958, France on June 8, 1937, Spain on November 15, 1960*]. Moreover, the claim that the mark was first used in Japan in 1939 is irrelevant since what is material is proof of actual use in commerce in the Philippines.

Finally, while Respondent was declared as having waived his right to present evidence, evidence must still be adduced against him [*Jacinto v. Montessa, G.R. No. L-23098, February 28, 1967*], and the tribunal must still exercise its quasi-judicial powers by determining the admissibility and weight of evidence before rendering a decision in favor of or against a party.

The situation of Respondent is similar to one who has been declared in default. "[T]he rule is that a party in default loses the right to present his defense and examine or cross-examine witnesses, but it does not constitute a waiver of all right since what is waived only is the right to be heard and to present evidence during the trial while default prevails." [*see Garcia v. CA G.R.*

No. 83929, June 11, 1992]. In fact, Respondent filed his Memorandum on November 15, 2000, indicating that he has not totally surrendered any of his rights.

In view of the foregoing, the instant Opposition is hereby DENIED. Accordingly, Application Serial No. 53637 for the registration of the mark PIONEER used on transformers, in the name of Respondent Clemente Lam is hereby GIVEN DUE COURSE.

Let the file wrapper of the trademark subject matter of the instant case be forwarded to the Administrative, Financial Human Resource Development Service Bureau for appropriate action in accordance with this decision with a copy furnished the Bureau of Trademarks for information and update of its record.

SO ORDERED.

Makati City, December 5, 2002.

ESTRELLITA BELTRAN-ABELARDO
Director – Bureau of Legal Affairs