

SEIKO KABUSHIKI KAISHA
 (doing business as Seiko Corporation),
Opposer,
 -versus-

DAHUA BATTERY PHILS., INC.
Respondent-Applicant

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Inter Partes Case No. 14-2004-00067
 Opposition to:

Appl'n. Serial No. : 04-1998-04411
 Date Filed : 19 June 1998
 Trademark : "SEIKO"

Decision No. 2005 – 22

DECISION

This is an opposition to the registration for the trademark "SEIKO" used for batteries bearing Appln. Ser. No. 04-1998-04411 filed on 19 June 1998.

Opposer Seiko Corporation is a corporation duly organized and existing under the laws of Japan, with principal office at 2-1 Shibaura 1-Chome, Minato-ku, Tokyo 105-8479. It is the registrant of various SEIKO trademarks in the Philippines as follows:

Trademark	Registration No.	Registration Date
SEIKO	11845 (Class 14)	September 16, 1985
SEIKO STREAM	4-1999-105000 (Class 14)	October 2, 2000
SEIKO THE GREAT BLUE	4-1997-122067 (Class 14)	July 23, 2001
SEIKO RIVOLI	502927 (Class 14)	July 1, 1991
SEIKO	59051 (Class 9 & 14)	August 11, 1994
SEIKO & 5 DEVICE & SUPERIOR (LION)	122066 (Class 14)	March 11, 2004
SEIKO & 5 DEVICE & SUPERIOR	4-1998-03780 (Class 14)	May 30, 2003

Respondent-Applicant Dahau Battery Phils., Inc., is a corporation duly organized and existing under the laws of the Philippines, with address at 86 Quezon Boulevard, Sampaloc, Manila.

On June 19, 1998, Respondent-Applicant filed an application for the registration of the "SEIKO" trademark for batteries under Class 9. Application No. 4-1998-04411 was given due course and published on March 16, 2004 on page 169, Volume VI, No. 14 of the Official Gazette.

Upon motion of the Opposer dated April 15, 2004, Opposer was granted an extension of time to file its verified opposition to the above trademark application, which opposition was filed timely on May 14, 2004. For failure of Respondent-Applicant to file its answer, it was declared in default in an Order dated April 4, 2005 and Opposer was allowed to present its evidence ex-parte. The same was admitted by this Office by an Order dated September 28, 2005 and, upon due submission by Opposer of its Memorandum, the case was submitted for decision.

The main issue to be resolved is WHETHER THE OPPOSER'S SEIKO TRADEMARK IS WELL-KNOWN MARK ENTITLED TO PROTECTION AS SUCH.

It should be noted that the Respondent-Applicant filed its application on June 19, 1998, after Republic Act No. 8293 (the Intellectual Property Code) came into effect on January 1, 1998.

The provisions of Section 123 of said code thereby determine the registrability of Respondent-Applicant's trademark:

"Sec. 123.1 A mark cannot be registered if it:

x

x

x

- (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration and used for identical or similar goods or services: Provided, that in determining whether a mark is 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;
- (f) Is identical with, or confusingly similar to or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, further that the interest of the owner of the registered mark are likely to be damaged by such use."

The provisions of the Intellectual Property Code reflect Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) to which the Philippines and Japan are signatories.

In this regard, Opposer anchors its opposition on the fact that SEIKO is a well-known trademark that is registered in the Philippines, which fact precludes Respondent-Applicant from using an identical or confusingly similar mark, regardless of whether the goods or services for which it is used is similar to that of the Opposer. Moreover, Opposer has registered the trademark SEIKO under the same class of goods (Class 9) as that of the Respondent-Applicant (See Exhs. "I-1" to "I-7" and "B-1" to "B-6"). Under Section 147.1, "in case of the use of an identical sign for identical goods or services, the likelihood of confusion shall be presumed,"

Opposer further contends that it is the first user and registrant of the trademark SEIKO and has established its international goodwill and reputation on the quality of its goods, including those under Class 9 for batteries. Opposer claims that the subsequent use and registration by Respondent-Applicant of the same mark for batteries would cause confusion on the part of relevant public as to the source or origin of the goods, causing irreparable damage to Opposer if the application is successful.

Implementing Sec. 123 cited above, Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marketed or Stamped Container of Goods, as amended on May 12, 2000, provides that in determining whether a mark is well-known, the following criteria or any combination thereof shall be taken into account:

- (a) the duration, extent and geographical area of any use of the 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 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 presence 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.

To support its claim that its SEIKO trademark has attained the status as a well-known mark, Opposer presented evidence of its Philippine registration for its various mark, the earliest of which was in 1985, including its registration under Class 9 since 1994 (Exhibits "I-1" to "I-7"). It has further shown its use of the SEIKO mark in the Philippines through actual sales (Exhibit "G") and advertisements appearing in Philippine publications (Exhibits "A-1", "A-2" and "H-1", "H-2"). Also attached to Opposer's Formal Offer of Evidence are certified copies of selected foreign registration certificates for products that include Class 9 (Exhibits "B-1" to "B-6"), and copies of catalogues, promotional materials (Exhibits "D-1-1" to "D-6-2") and advertisements appearing in publications of international circulation (Exhibits "C-1" to "C-11-7").

From the evidence above, there can be no question that Opposer has satisfactorily proven that its SEIKO trademark is a well-known mark not only in the Philippines but worldwide. It has been duly registered in the Philippines both under Class 9 for batteries and Class 14 goods. The evidence shows that the mark has been in actual use and widely marketed in the Philippines. Opposer has amply exhibited the extensive geographic breadth of its foreign trademark registrations for various goods and services, its prolific use of its SEIKO trademark as revealed by its 2004 record of net sales worldwide amounting to US\$ 1,926,180,000 (Exhibit "E") and the extent of its promotions and distribution of its various products bearing the SEIKO trademark.

As an owner of a well-known mark registered in the Philippines, Opposer can therefore invoke its exclusive right provided in Article 6bis of the Paris Convention and Article 16(3) of the TRIPS Agreement, as implemented under Articles 123.1 (e) and (f) of the Intellectual Property Code.

In this case, the marks clearly cover the same products where confusion and damage is presumed to occur. In addition, the competing marks cover products that flow through the same channels of trade. Concurrent use by the Respondent-Applicant and Opposer of the same mark would likely confuse the public as the origin and quality of the goods to the damage of the Opposer. Respondent-Applicant's use of the trademark SEIKO for batteries is identical to its use by Opposer also for batteries. In addition, batteries are inherent in and closely connected to the use by Opposer of its other products such as watches. From its active promotion and prolific use

of its trademark over the years. Opposer has established goodwill both domestically and internationally.

Apparent, too, is that Respondent-Applicant's mark is identical to Opposer's trade name. As held in *Converse Rubber Corporation vs. Universal Rubber Products, Inc., et.al.* (147 SCRA 155 [1987]), "a corporation is entitled to the cancellation of a trademark that is confusingly similar to its trade name."

By the fact alone, the Respondent-Applicant has chosen the trademark SEIKO for batteries for which Opposer has also registered its well-known mark, shows an attempt to trade upon Opposer's worldwide reputation which it has cultivated for a period for over eighty-one (81) years, for the same and similar products. The registration and use by Respondent-Applicant of its trademark would allow it to cash in on the business reputation of Opposer at the expense of the latter.

As repeatedly cited by the Supreme Court:

"Why of the million of terms and combinations of letters and designs available, the appellee had choose those closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other trademark." (*American cCable Wire & Co., vs. Director of Patents, 31 SCRA 544.*)

Where Respondent-Applicant seeks to use the mark containing the word SEIKO in connection with goods under Class 9 which Opposer has already registered and had established to be a well-known trademark and having shown that the use of the Respondent-Applicant of the mark SEIKO would damage Opposer, sufficient grounds therefore exist to reject the application for registration of Respondent-Applicant for the same SEIKO trademark.

In the light of the foregoing and under the plain language of applicable law, rules and international treaties, this Office finds that the Respondent-Applicant is not entitled to register the mark SEIKO in its name or favor.

WHEREFORE, the Notice of Opposition filed by Opposer, SEIKO KABUSHIKI KAISHA doing business as Seiko Corporation, is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-1998-04411 for the mark "SEIKO" filed on June 19, 1998 by Dahua Battery Phils. Inc. is hereby REJECTED.

Let the filewrapper SEIKO subject matter in this case be forwarded to the Administrative, Financial and Human Resources Development Services Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, 14 December 2005.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs