

SEIKO EPSON KABUSHIKI
KAISHA,

Opposer,

-versus-

TAIWAN UPSON ENTERPRISES
CO., LTD.

Respondent-Applicant.

INTER PARTES CASE NO. 3683

Opposition to: Application Serial
No. 71656

Filed: April 18, 1990

Trademark: UPSON

Goods: Computers and
Accessories

Decision No. 2001-25

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DECISION

This pertains to an opposition made by EIKO EPSON KABUSHIKI KAISHA, a corporation organized and existing under the laws of Japan, with business address at 4-1 Nishi-Shinjuku, 2-Chome, Shinjuku-ku, Tokyo, Japan, to the above captioned trademark application for the registration of the trademark "UPSON", filed by TAIWAN UPSON ENTERPRISES CO., LTD., a corporation organized and existing under the laws of Taiwan, with business address at 12-1, 56 Lane, Fu-kou Road Shin Lin District, Taipei, Taiwan.

The Unverified Notice of Opposition was filed by the Opposer on 26 July 1991 while the Verified Notice of Opposition was filed on 18 September 1991. The grounds for opposition are as follows:

"1. The trademark "UPSON" so resembles Opposer's trademark "EPSON", which has been previously used in commerce in the Philippines and other parts of the world and not abandoned, as to be likely, when applied to or used in connection with the goods of the Applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"2. The registration of the trademark "UPSON" in the name of the Applicant will violate Section 37 of Republic Act No. 166, as amended and Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and Japan are parties.

"3. The registration and use by the Applicant of the trademark "UPSON" will diminish the distinctiveness and dilute the goodwill of Opposer's trademark "EPSON".

"4. The registration of the trademark "UPSON" in the name of the Applicant is contrary to other provisions of the Trademark Law."

To support the opposition, Opposer relied upon the following facts, among others:

"1. Opposer is a manufacturer of computers and a wide range of peripherals and accessories bearing the trademark "EPSON" which have been marketed and sold in the Philippines and in other parts of the world. Opposer has been commercially using the trademark "EPSON" internationally and in the Philippines prior to the use of "UPSON" by the Applicant.

"2. Opposer is the owner of the trademark "EPSON" which was derived from Opposer's tradename Seiko Epon Kabushiki Kaisha. Under Section 37 of the Trademark Law and Article 8 of the Paris Convention, Opposer's tradename shall be protected in the Philippines "without the obligation of filing or registration, whether or not (it) forms part of marks."

"3. Opposer is the first user of the trademark "EPSON" on computers and computer peripherals and accessories which have been sold and marketed in various countries worldwide, including the Philippines.

"4. By virtue of Opposer's prior and continued use of "EPSON" in the Philippines and other parts of the world, said trademark has become popular and internationally well known and has established valuable goodwill for Opposer among consumers who have identified Opposer as the source of the goods bearing said trademark.

"5. The registration and use of a confusingly similar trademark by the Applicant for use on identical or related goods will tend to deceive and/or confuse purchasers into believing that Applicant's products emanate from or are under the sponsorship of Opposer. Applicant obviously intends to trade, and is trading on, Opposer's goodwill.

"6. The registration and use of a confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's trademark."

In its Answer filed on 22 November 1991, Respondent-applicant specifically denied the allegations in the Opposition, claiming particularly that there can be no confusion, mistake and deception on the part of the buying public as there is no resemblance between Respondent-applicant's UPSON trademark and EPSON.

The pre-trial proceedings failed to result in an amicable settlement. Subsequently, trial on the merits was conducted and the parties were directed to present their respective evidence.

On 10 February 1992 Opposer commenced the presentation of its evidence by presenting and marking as exhibits the affidavit (and the attached annexes) of Mr. Toyomitsu Hirasawa, Opposer's General Manager of Legal Affairs. In his affidavit, Mr. Hirasawa testified on the company background of Seiko Epson Kabushiki Kaisha, the registration/application for registration of the EPSON trademark all over the world, advertising and marketing and the volume of sales of EPSON products internationally other commercial uses of the EPSON trademark, and the various infringement cases filed by the Opposer in different countries, to defend its proprietary right to the EPSON trademark.

On 28 February 1992, Respondent-applicant submitted its written cross-interrogatories. On 23 September 1993, the Opposer filed Mr. Hirasawa's second affidavit with annexes, containing his answers to Respondent-Applicant's written cross-interrogatories.

In an Order dated 11 February 1997, the parties were directed to inform the IPO whether or not they were still interested in pursuing the case, considering that it has been pending for six (6) years from the time the Opposition was filed. In its Compliance and Motion filed on 13 March 1997, Opposer manifested that it has not lost interest in the prosecution of the case. Opposer also pointed out that it is Respondent-Applicant that should be deemed to have lost interest in defending its trademark application as clearly shown by its unreasonable failure to communicate with the IPO (then, BPTTT) and to hire a new counsel to assist in the defense of its application, after Tan Manzano & Velez withdrew as counsel on 13 October 1992. To date, however, no communication is forthcoming from the Respondent-Applicant.

As per Order No. 97-425 dated 28 April 1997, the BPTTT declared Respondent-Applicant to have abandoned its trademark application for failure to communicate or hire the services of new counsel, despite the service upon it of Opposer's Manifestation and Motion dated 23 September 1993. Respondent-Applicant was deemed to have lost interest in its trademark application subject of this proceedings.

On 05 September 1997, Opposer filed its Formal Offer of Evidence consisting of the two (2) affidavits of Mr. Hirasawa and the annexes thereto, which included the following registrations for the trademark EPSON in the name of the Opposer: Certificate of Registration No. 1491404 issued on 25 December 1981 (Japan); Certificate of Registration No. 335177 (Benelux); Certificate of Registration No. 56089 issued on 22 June 1977 (Turkey); Certificate of Registration No. 83/4153 issued on 29 November 1984 (South Africa); Certificate of Registration No. 1048343 issued on 27 October 1976 (United Kingdom); and Certificate of Registration No. 1134004 issued on 29 April 1977 (United States of America).

The issues to be resolved in this particular case are: (a) whether or not there exists a confusing similarity between the Opposer's trademark EPSON and Respondent-Applicant's trademark UPSON; and (b) who between the Opposer and the Respondent-Applicant is the prior user entitled to protection under the Trademark Law.

Considering that the Application subject of the instant opposition was filed under the old Trademark Law (R.A. 166, as amended), this Office shall resolve the case under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

The applicable provision of the Trademark Law, Section 4(d) provides:

"Sec. 4. *Registration of trademarks, trade-names and service marks on the principal register.*- xxx The owner of a trademark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it :

"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 service of the applicant, to cause confusion or mistake or to deceive purchasers."

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

In the case of case of *Etepha vs. Director of Patents (16 SCRA 502)*, the Supreme Court stated that:

"The essential element of infringement is colorable imitation. This term has been defined as "such a close or ingenious imitation as to be calculated to deceive ordinary purchasers, or such resemblance of the infringing mark to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one, supposing it to be the other."

The Supreme Court, in determining whether or not there is confusing similarity between trademarks, has relied on the dominancy test or the assessment of the essential or dominant features in the competing trademarks. Even the spelling and the similarity in sounds and pronunciation are taken into consideration. Thus, in the case of *Co Tiong Sa vs. Director of Patents (95 Phil 1)* the application for the registration of the trademark "FREEDOM" was rejected due to the existing registration of the mark "FREEMAN" over the same class of goods.

In the case of *Marvex Commercial Co. vs. Hawpia & Co. (18 SCRA 1178)*, the Supreme Court found that:

"The tradename `LIONPAS' for medicated plaster cannot be registered because it is confusingly similar to `SALONPAS', a registered trademark also for medicated plaster. xxx Although the two letters of `SALONPAS' are missing in `LIONPAS' the first letter a and the letter s. be that as it may, when the two words are pronounced, the sound effects are confusingly similar. xxx"

In the case of *American Wire and Cable Co. vs. Director of Patents (31 SCRA 544)*, the Supreme Court observed that:

"xxx The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; xxx no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other."

In the instant case, the only difference between the trademarks of Opposer and that of Respondent-Applicant are the first letters thereof, the first letter for EPSON being "E" and for "UPSON" being "U". All the other letters are the same such that when the two words are pronounced, the sound is almost the same.

Moreover, both trademarks also cover similar goods, i.e., computers and computer peripherals and accessories. As such, both products flow through the same channels of trade such that confusion between the two trademarks is likely to result in the mind of the prospective buyers.

The purpose of the law in protecting a trademark cannot be over-emphasized. They are to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a market a superior article of merchandise, the fruit of his industry and skill, and to prevent fraud and imposition (*Etepha vs. Director of Patents, ibid.*) . Today, the trademark is not only a symbol of origin and goodwill --- it is often the most effective agent for the actual creation and protection of goodwill. In other words, the mark actually sells the goods. The mark has become the "silent salesman". It has become a more convincing selling point than even the quality of the articles to which it refers. (*Mirpuri vs. Court of Appeals, 318 SCRA 516*)

As per the evidence presented, the trademark EPSON was first used by the Opposer in Japan in 1975 and in the Philippines in January 1987. Said trademark has also been registered by the Opposer in countries around the world such as Japan, Benelux, Turkey, South Africa, the United Kingdom and the United States of America. On the other hand, no evidence was presented pertaining to the first use of the trademark UPSON in the Philippines. Thus, it is clear from the foregoing that between the Opposer and the Respondent-Applicant, the former has sufficiently proven that it is the prior user of the trademark EPSON and is therefore entitled to protection from infringement thereof. Consequently, the registration in favor of Respondent of the mark UPSON which is confusingly similar to Opposer's EPSON cannot be allowed by this Office.

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Accordingly, application bearing Serial No. 117942 for the mark "UPSON" filed in the name of TAIWAN UPSON ENTERPRISES CO., LTD. on 18 April 1990 is hereby REJECTED.

Let the filewrapper of the trademark UPSON subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Services Bureau for appropriate action in accordance with this Decision with a copy hereof to be furnished the Bureau of Trademarks for information and update of its records.

SO ORDERED.

Makati City, 10 December 2001.

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