

SUMITOMO RUBBER INDUSTRIES
LIMITED,

Opposer,

- versus -

MCXMOTOR PHILS., INC.

Respondent-Applicant.

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IPC No. 14-2009-00105
Case Filed: 07 April 2009

Opposition to:

Appl'n. Serial No.: 4-2008-006490

Date Filed: 04 June 2008

Trademark: "FALCON"

Decision No. 2009-107

DECISION

This is an opposition against the registration of the mark "FALCON" bearing Application Serial No. 4-2008-006490 filed on 04 June 2008 covering the goods "motorcycles and scooters" falling under class 12 of the International Classification of goods which trademark application was published for opposition in Intellectual Property Philippines (IPP) Electronic Gazette (E-Gazette), which was officially released for circulation on 12 December 2008.

Opposer in the instant case is "SUMITOMO RUBBER INDUSTRIES, LTD.", a foreign corporation duly organized and existing under and by virtue of the laws of Japan with business address located at 6-9, Wakinocho 3-chome, Chuo-ku, Kobe-shi, Hyogo, Japan.

On the other hand, the Respondent-Applicant is "MCXMOTOR PHILS., INC.", with business address at 17 Calle Fabrica, Malhacan, Meycauayan, Bulacan, Philippines.

The grounds of the opposition are as follows:

- a. Opposer is the registered owner of the trademark "FALKEN" under and by virtue of its Certificate of Registration No. 4-1998-001773, which was issued as early as November 4, 2002. The subject mark "FALCON" is identical with, or confusingly similar with the Opposer's mark "FALKEN". Hence, under Section 123.1 (d) of the Intellectual Property Code, it can no longer be registered in the name of Respondent-Applicant. As registered owner, Opposer can prevent the subject application by virtue of Section 147.1 of the IP Code.
- b. Opposer's trademark is a well-known mark hence, approval of subject application violates the rights arising from the said status, contrary to Section (e) and 123.1 (f) of the IP Code;
- c. The use and registration of the applied for mark by Respondent-Applicant will cause confusion, mistake and deception upon the consuming public and mislead them as to the origin, nature, quality and characteristic of the goods on which it is affixed pursuant to 123.1 (g) of the IP Code.
- d. Section 147 of the IP Code.
- e. Even without the Certificate No. 4-1998-001773, the "FALKEN" mark of Opposer deserves full protection since it is already well-known. Consequently, under Section 123.1 (e) and Section 123.1 (f) of the IP Code, the subject mark "FALCON" and any mark that is confusingly similar with Opposer's mark "FALKEN" can no longer be registered by Respondent-Applicant.
- f. The approval of the subject application will violate the proprietary rights and interests, business reputation and goodwill of the Opposer considering that the applied for

mark is identical to Opposer's "FALKEN", a mark that is highly distinctive and over which the Opposer has exclusive use and registration in numerous countries worldwide.

- g. The approval of the subject application will enable the Respondent-Applicant to unfairly profit commercially from the goodwill, fame and notoriety of the trademark "FALKEN", to the damage and prejudice of the Opposer herein contrary to Section 168.1 of the IP Code.
- h. Trademark dilution under the Supreme Court ruling in the case of Levi Strauss & Co., & Levi Strauss (Phils.), Inc., vs. Clinton Aparelle, Inc., G.R. No. 128900, September 30, 2005.

In support of its opposition, Opposer submitted in evidence the following exhibits.

| Exhibit | Description |
|---------------|---|
| "A" | Affidavit of Akihiro Takeuchi |
| "B" | Annual report of Opposer for 2007 |
| "C" | Affidavit of Jan Abigail L. Ponce |
| "D" | Special Power of Attorney |
| "E" | Certified true copy of the Verified Notice of Opposition in IPC No. 14-2007-00319 |
| "F" | Certified true copy of the Affidavit of Akihiro Takeuchi dated October 19, 2007 including all documentary exhibits and attached thereto and submitted in support of the opposition against Application No. 4-2005-012262 in IPC NO. 14-2007-00319 |
| "G" | Certified true copy of the Affidavit including all documentary exhibits and attached thereto and submitted in support of the opposition against Application No. 4-2005-012262 in IPC NO. 14-2007-00319 |
| "G-1" | Certified true copy of Decision No. 2008-25 |
| "G-2" | Entry of Judgment and Execution of Decision/Order |
| "H" to "H-2" | Actual print-outs of www.falken.com , www.daydrift.com and www.consumersearch.com |
| "I" | Sample advertisements of FALKEN in the C! Magazine |
| "J" | Certified true copy of Philippine Registration No. 4-1998-001773 for FALKEN issued on November 4, 2002 in Class 12 under the name of Opposer |
| "K" to "K-2" | Print-outs of electronic records of the US trademark registrations taken from the www.uspto.gov website for FALKEN under the name of Oppose |
| "L" to "L-20" | Certified true copies of various certificates of trademark registrations for FALKEN under the name of Opposer issued in different countries worldwide. |
| "M" | Trademark Database Listing of Opposer's Trademark Registrations for FALKEN worldwide. |
| "N" to N-58" | Copies of other trademark registrations of Opposer for the mark FALKEN issued in various countries worldwide. |
| "O" to "O-21" | Print-outs and/or of the relevant websites, articles, newspapers, magazines and/or pictures of FALKEN tires |
| "P" | Opposer's advertising materials for FALKEN |

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| "Q" to "Q-6" | Annual Reports for the years 2000 to 2006 of Opposer |
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On July 8, 2009, Respondent-Applicant filed its Verified Answer through registered mail and denied all the material allegations of the opposition and clearly stated that its mark "FALCON" is not confusingly similar with the Opposer's mark "FALKEN".

In support of its application, Respondent-Applicant submitted the following:

| Annex | Description |
|--------------|-----------------------------------|
| "1" | Copy of motorcycle "FALCON" brand |
| "2" to "2_4" | IPO Database inquiry |

The issue to be resolved in this particular case is:

WHETHER OR NOT THE RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "FALCON".



The applicable provision of the law is Section 123.1 (g) and (h) of Republic Act No. 8293, which provides:

Sec. 123. Registrability – 123.1. A mark cannot be registered if it:

"(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

The contending trademarks are reproduced below for comparison and scrutiny.

| | |
|---|--|
|  |  |
| Opposer's mark | Respondent-Applicant's mark |

It is observed that the contending marks consist of two (2) syllables each. "FAL" is the first syllable of both marks which is the same composition in letters and likewise the same as to pronunciation.

The second syllable of Opposer's mark is "KEN" while that of the Respondent-Applicant is "CON". The letters KE and CO maybe different but they are definitely similar in sound.

Moreover, as claimed by the Opposer, the mark "FALCON" of the Respondent-Applicant is identical/or confusingly similar with the mark of the Opposer "FALKEN", because "FALKEN" is a German word and the English translation is "falcon".

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of prospective buyer. The trademark complained should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. (87 C.J.S. pp 288-291) Some factors such as sound; appearance; form, style shape, size or format; color, idea connoted by the mark; the meaning, spelling and pronunciation of the words used; and the setting in which the words appear may be considered, (87 C.J.S. pp. 291-292) for indeed, trademark infringement is a form of unfair competition (Clark vs. Manila Candy Co., 36 Phil. 100, 106; Co Tiong Sa vs. Director of Patents, 95 Phil. 1, 4).

Confusion is likely between trademarks only if their over-all presentations in any of the particulars of sound, appearance or meaning are such as would lead the purchasing public into believing that the products to which the marks are applied emanated from the same source.

In the case at bar, the two trademarks are composed of two (2) syllables each and the first syllable "FAL" of both marks is exactly the same letters and pronunciation. When pronounced, the competing trademarks as a whole sounds almost the same. In addition to the circumstances as stated, the word "FALKEN" is a German word which means "Falcon" in English. WHEREFORE, in totality, the two competing trademarks are confusingly similar to each other, and are both applied and used on the same goods particularly in Class 12 of the international classification of goods.

Another factor to be considered in this particular case is the goods/products covered by the competing trademarks both under Class 12 of the International Classification of goods.

Infringement of trademark depends on whether the goods of the two contending parties using the same trademark are so related as to lead the public to be deceived. The vast majority of courts today follow the modern theory or concept of "related goods" which the courts has likewise adopted and uniformly recognized and applied. Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores.

The goods covered by the Respondent-Applicant's application identified as "motorcycles and scooters" are closely related to Opposer's goods described as "vehicle wheel tires, vehicle wheel tubes, vehicle wheel rims, vehicle wheels, non-skid devices for vehicle wheel tires" especially considering that these products also fall under Class 12 of the International Classification of goods and both products are to be found in the same channels of trade.

Records will show that Opposer's mark "FALKEN" has been registered with the Intellectual Property Philippines (IPP) bearing Registration NO. 4-1998-001773 on November 04, 2002 (Exhibit "J") covering the goods falling under Class 12 whereas Respondent-Applicant's filing date for the trademark "FALCON" is only on 04 June 2008,

The approval of the application in question therefore violates the right of the Opposer to the exclusive use of its registered trademark on the goods listed in the registration certificate and those that are related thereto.

Modern trade and commerce demands that depredations on legitimate trademarks of non-nationals including those who have not shown prior registration thereof, should not be countenanced. The law against such depredations is not only for the protection of the owner of the trademark but also and more importantly from confusion, mistake or deception as to the goods they are buying (Asari Yoko Co., vs. Kee Soc, 1 SCRA 1).

The law on trademarks and trade-names is based on the principle of business integrity and common justice. This law, both in letter and spirit, is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper, competition, no one

especially a trader, is justified in damaging or jeopardizing another's business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another. (Baltimore vs. Moses, 182, Md 229, 34 A (2dl 338)).

Considering that Opposer's trademark having been registered and not abandoned, Section 138 of Republic Act No. 8293 provides:

"Section 138. Certificates of Registration. - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate."

The purpose of the law protecting a trademark cannot be overemphasized. 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, 16 SCRA 495). The legislature has enacted laws to regulate the use of trademarks and provide for the protection thereof.

The Supreme Court in the case "Chuanchow Soy & Canning Co., vs. Director of Patents and Rosario Villapanta (G.R. No. L-13947, June 30, 1960)" stated:

"When one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill."

Based on all the foregoing and considering that the Respondent-Applicant's "FALCON" mark is confusingly similar to Opposer's "FALKEN" mark which has been registered with the Intellectual Property Philippines (IPP) under Certificate of Registration No. 4-1998-001773, and the goods covered by both marks fall under the same Class 12 of the International Classification of goods, the Bureau of Legal Affairs (BLA) resolves to REJECT the application of the Respondent-Applicant for the mark "FALCON".

WHEREFORE, the Notice of Opposition filed by herein Opposer "Sumitomo Rubber Industries, Ltd." is, as it is hereby SUSTAINED. Consequently, Trademark Application No. 4-2008-006490 for the mark "FALCON" filed on June 04, 2008 by MCXMOTOR PHILS., INC., is, as it is hereby REJECTED.

Let the filewrapper of the trademark "FALCON" subject matter of this case together with a copy of this DECISION be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 26 August 2009.

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