

TOYO TIRE & RUBBER CO., LTD.,
Opposer,

- versus -

TREADTEL.COM.PH, INC.,
Respondent-Applicant,
X-----X

IPC No. 14-2008-00141
Case Filed: 05 February 2009
Opposition to:
Appl'n Serial No.: 4-2007-006383
Date Filed: 20 June 2007

Trademark: "TORO TYRES"

Decision No. 2009-100

DECISION

For consideration is the Verified Notice of Opposition filed on 23 June 2008 by Toyo Tire & Rubber Co., Ltd., a company duly organized under the laws of Japan, with principal office at 17-18, Ebodori 1-chome, Nishi-ku, Osaka, Japan against the application for registration of the mark "TORO TYRES" of Treadtel.com.ph, Inc., a domestic corporation with address at Ouano Avenue corner Circumferential Road, North Reclamation Area, Mandaue City bearing Application Serial No. 4-2007-006383 used for tires under Class 12 of the International Classification of Goods and which was published in the Intellectual Property EGazette on 14 March 2008.

The grounds for Opposition to the registration of the mark are as follows:

"1. TOYO TIRE (Opposer) believes that the registration in the name of Respondent-Applicant of the subject mark will damage and prejudice the rights and interests of Opposer herein, and is contrary to express provisions of Republic Act No. 8293 or the Intellectual Property Code of the Philippines (IP Code) in regard to what trademarks mayor may not be registered. Therefore, Opposer objects the registration of the subject mark based on the following legal grounds:

- a. Section 147.1 of the IP Code which pertains to the exclusive rights of the owner of the registered trademark;
- b. Section 147.2 and related Sections 123.1 (c), 123.1 (d), 123.1 (e), 123.1 (f) and 123.1 (g) of the IP Code that relate to the Opposer's rights as owner of an earlier registered trademark to prevent the use and registration by third parties of confusingly similar marks used even on unrelated goods and services.
- c. Section 168.1 of the IP Code.
- d. Section 165 of the IP Code.
- e. Trademark dilution under the Supreme Court ruling in the case of Levi Strauss & Co. & Levi Strauss (Phils) vs. Clinton Apparelle, Inc., G.R. No. 128900, September 30, 2005.

In filing this instant opposition, Opposer relied on the following set of facts:

1. Founded in 1945, Opposer is one of the world's leading manufacturers of products that include automotive tires and parts, as well as industrial rubber and soft and rigid polyurethane products for automotive and industrial uses. Today, the Toyo Tire Group is active in 100 countries and regions. Through its unique business model, it market leadership by supplying highly original products and services that meet the changing needs of customers throughout the world. Having earned a global reputation for the quality of its products, the Toyo Tire Group is

now working to build a reputation for excellent executive standards through high level of management transparency.

2. Opposer handles a wide spectrum of products, ranging from car tires and stud less tires to tires for commercial vehicles, trucks, buses, industrial vehicles and heavy construction machinery. Its activities are broadly divided into sales to motor vehicle manufacturers, sales of replacement tires for Japanese market and overseas operations. As a leading supplier of cutting-edge products, its mission is to provide value to its customers with innovative products and services.

3. Opposer has already gained an excellent reputation with motor vehicle manufacturers as a supplier of quality products, especially anti-vibration rubber parts and seal cushions. Its goal is to become world's top manufacturer of vibration control products with the best functions and quality at the lowest possible prices. Its key asset for the attainment of this goal is its extensive knowledge of anti-vibration technology, a core area of its technology. In its 21st Century Management Vision, the Toyo Tire Group expresses its determination to increase its contribution to humanity and society by continually creating unique, world-class technologies in its core competitive areas of tires, vibration control and thermal insulation.

As a step toward fulfilling this vision, the Toyo Tire Group has been implementing its Medium-Term Business Plan 2005, a three-year plan launched in the fiscal year ended in March 2006. Under the slogan "Global Challenge", it is pressing ahead with efforts to achieve the plan objectives by focusing of four key priorities: the expansion of corporate value through global growth, the concentration of management resources in core businesses with growth and income potential, the structural reform of business operations, and the development of products that are differentiated by advanced production methods and new technologies that create business and profits.

4. In fiscal 2006, the second year of the Medium Term Business Plan 2005, in the mainstay tire business, the Toyo Tire Group pursued an aggressive and global business structure encompassing Japan, North America, and Europe by bolstering the tire production structure in Japan, commencing full-scale production at the Toyo Tire North America, Inc., a new tire production base in North America, and reorganizing tire marketing and sales companies in Europe and Japan. At the same time, it launched new high value products, such as the Tranpath MP4 and Garit G4 replacement passenger car tires and developed E-balance, a new basic technology for truck and bus tires.

In its chemical and industrial product segment, it vigorously engaged in radical structural reforms of our operations. These included the transfer of control of the rubber lining, waterproof and sealing sheet, and anti-vibration rubber parts businesses, the restructuring of the product profitability at our North American automotive anti-vibration rubber production subsidiary Toyo Automotive Parts (USA) Inc., and restructured production in Japan in the seat cushion business.

5. A steadily recovering economy in Japan and favorable economic circumstances in Europe and North America notwithstanding, the business environment surrounding the Toyo Tire Group in fiscal 2006 remained adverse owing to the intensifying market competition and a sharp rise in the prices of raw materials, notably natural rubber and mineral raw materials.

In response the Toyo Tire Group endeavored to secure profits by taking advantage of the income-increasing effect of the yen's depreciation, and also achieved profit margin improvements through increased sales volume and an expanded product mix. It also raised the shipping prices of replacement tires and pursued cost reductions through streamlining and efficiency improvements in production, distribution and marketing.

The Toyo Tire Group achieved record sales for the second consecutive year by posting net sales of Y320, 427 million, an increase of 6.7% year on year. While its operating income and ordinary income decreased by 28.4% to Y9,369 million, and by 44.6% to Y5,789 million,

respectively, its net income increased by 11.8% to Y6,015 million, in part due to an ordinary gain on the sale of Itami Shopping Center Leasing business. Overseas sales showed a steady increase of 15.2% year on year to Y151, 745 million, accounting for 47.4% net sales.

6. In fiscal 2007, the final year of the Medium Term Business Plan 2005, the Toyo Tire Group made its highest priority to be able to return to the profitable growth path and solid business position that its shareholders expect.

7. Opposer exports its goods/products in approximately eighty one (81) countries of the world.

8. Opposer has been selling and distributing through the branches/subsidiaries worldwide and through the branches/subsidiaries in Japan all kinds of tires. As early as 1945, Opposer began the sale and distribution of tires and rubber products in Japan bearing the trademark TOYO. IN 1964, it started the sale and distribution of tires and rubber products in Japan bearing the trademark TOYO IN ARROW DEVICE. On November 26, 2002, it started the sales and distribution of tires and rubber products in Japan bearing the trademark TOYO TIRES. The sale and distribution of TOYO and TOYO IN ARROW DEVICE and TOYO TIRES on tires and rubber products outside of Japan commenced in 1947.

9. Opposer is the true owner and proprietor abroad and in the Philippines of the trademark TOYO used on tires and the trademark TOYO IN ARROW DEVICE used on tire and tubes. It is the first one to use and register the said trademarks in the Philippines.

10. The trademarks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE are registered in over fifty three (53) countries of the world, which include but are not limited to Australia, Canada, Norway, Switzerland, Vietnam, Indonesia, Philippines, Spain, New Zealand, Lebanon, Pakistan, France, Singapore, United Kingdom, China, Taiwan, United States of America, Mexico, Israel, Greece, Turkey and Russia.

11. There are approximately 73 foreign trademark applications and registrations for TOYO, TOYO IN ARROW DEVICE and TOYO TIRES.

12. As already mentioned above, Opposer has already secured Philippine Trademark Registration Nos. 022243 covering TOYO used on tires and 022241 covering TOYO IN ARROW DEVICE used on tires and tubes. These registrations have been effectively renewed on February 24, 1995 and given a term of twenty (20) years and will consequently be enforceable until February 24, 2015. These registrations have been maintained in accordance with applicable law and rules.

13. The well-known status of the trademarks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE is reflected in the high volume of sales which the TOYO, TOYO TIRES and TOYO IN ARROW DEVICE goods/products have achieved all over the world. From 2003 to 2007, Opposer earned approximately IP ¥915 .2 billion from its worldwide sales and distribution of its TOYO, TOYO TIRES and TOYO IN ARROW DEVICE goods and services, representing about JP¥183 billion gross sales per year.

14. Representative names of Opposer's customers located abroad are as follows: (1) PTS Marketing SDN BHD; (2) Stamford Tyres International (PTE) ua.; (3) Nationwide Accessories (Wholesale) Ltd.; (\$) Toyo Tire USA Corp.; (5) Sinar Angke -laya; and (6) Wilhelm & Dousse AG.

15. TOYO, TOYO TIRES and TOYO IN ARROW DEVICE goods/products have been commercially used in the Philippines in connection with tires and tubes since 1966. To date, the Opposer's marks are still being continuously used in commerce in the Philippines through an authorized distributor, Armstrong Enterprises Co., Inc., 347 Ortigas Avenue, Greenhills East, 1554 Mandaluyong City, Philippines.

16. From 2003 to 2007, Opposer has spent approximately JP¥ 20.6 billion in the continuous and extensive promotions and advertisements abroad of its TOYO, TOYO TIRES and TOYO IN ARROW DEVICE goods/products representing about JP¥ 4.1 billion expenditures each year. During the same period, it has spent approximately US\$ 24, 892.51 in the continuous and extensive promotions and advertisements in the Philippines of its TOYO, TOYO TIRES and TOYO IN ARROW DEVICE goods product representing about US\$ 8,372.93 expenditure each year.

17. Opposer has spent enormous resources advertising its TOYO, TOYO TIRES and TOYO IN ARROW DEVICE trademarks in numerous magazines and other types of promotional media including the Philippines.

18. Respondent-Applicant's TORO TYRES as illustrated in the drawing page of the oppose application is an obvious imitation of the Opposer's registered and well-known trademarks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE already registered in the Philippines and in many other countries worldwide.

Since the word "TYRES" is just a British variation of "tires", the Respondent-Applicant could not claim any exclusive rights thereto. It necessarily follows that the same should be disclaimed. In other words, with the Respondent-Applicant's trademark being stripped off of its generic and purely descriptive terms, what is placed before the Bureau of legal Affairs to compare and consider is the word TORO vis-a-vis the word TOYO, which is registered as a separate trademark in Opposer's Trademark Registration No. 022243 (TOYO) embracing tires and as part of the Opposer's registered trademark under Trademark Registration No. 022241 (TOYO IN ARROW DEVICE) embracing tires and tubes.

19. The only difference between the contending marks is the third letter. This difference, however, is extremely small and tends to immediately dissipate into thin air like smoke when the marks are used in connection with tires. Thus, if TORO TYRES will be allowed to be used and registered, the relevant consumers will be likely deceived and misled as to the source and quality of the parties' goods and will further be misled as to the relationship and sponsorship of the parties' businesses.

20. The Bureau of Legal Affairs and the Office of the Director General has already declared in several cases that the mere addition of generic and/or descriptive terms to a mark applied for registration does not make such mark dissimilar or not confusingly similar to a previously applied for or registered trademark.

21. The continued use by Respondent-Applicant of TORO TYRES on the same goods falling under Class 12 will constitute a clear case of criminal piracy. Accordingly, if allowed to proceed registration, the subject application will violate not only the provisions of the IP Code, particularly paragraphs (d), (e), (f) and (g) of Section 123.1, Sec. 155, Sec. 236 and Sec. 239.2 thereof, but also the commitment of the Philippines to the international community through its accession to the Paris Convention and membership with the World Trade Organization (WTO) and as signatory to the Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS). Respondent-Applicant must not be allowed to get a free ride on the reputation and selling power of the products of Opposer, for a self-respecting person or reputable business concern does not remain in the shelter of another's popularity and goodwill.

22. For the reasons cited, registration of the subject mark can be prevented by Opposer under Sections 123.1 (d), 123.1 (e), 123.1 (f) and 123.1 (g) and other material provisions of the IP Code.

Together with the Verified Notice of Opposition (Annex "A" to the Manifestation and Motion filed on July 27, 2007), Opposer submitted various evidence to support its opposition which are herein enumerated:

Exhibit	Description
"A"	Listing of distributors worldwide of TOYO tires
"B" to "C"	List of foreign trademark applications and registrations for TOYO and TOYO TIRES
"D" to "N"	Certified copies of representative foreign trademark registrations of TOYO and TOYO IN ARROW DEVICE like in Japan, Hong Kong, U.S.A., United Kingdom, Australia, Canada, China, Norway
"O" to "JJJ"	Copies of various trademark registrations and renewals of registration for TOYO, TOYO IN ARROW DEVICE and TOYO TIRES
"KKK"	Sample label which displays the mark Toyo Tires used on the goods sold in the Philippines
"KKK-1" to "KKK-8"	Photographs of advertising materials and promotional items for Toyo Tires as well as photographs of display items and also photographs during tradeshow in the Philippines
"LLL" to "IIII"	Proofs of foreign and local advertisement and promotion activities and materials
"JJJ" to "MMMM-10" inclusive of sub-markings	Photographs and copies of outlet receipts and promotional items in Indonesia, Singapore, Thailand, Philippines and Malaysia
"NNNN" to "PPPP-10" inclusive of sub-markings	Photographs of outlets catalogues and magazine ads in Australia, Canada and USA
"QQQ" to "QQQQ-15"	Articles concerning the numerous Transport and Car Shows all over the world
"RRRR" to "RRRR-4"	Photographs taken in Australia during the March 1, 2008 and May18, 2008 car and racing events of Toyo Tire Sport Compact Drag Racing Series and Toyo Tires Drift
"SSSS" to "SSSS-2"	Printouts of the marketing presentation concerning Toyo Tires of Opposer
"TTTT" to "TTTT-3"	Photographs of the actual products of Opposer bearing the trademark TOYO
"UUUU"	Affidavit of Mr. Motoo Kunihiro
"VVVV"	Affidavit of Jan Abigail L. Ponce
"WWWW"	Special Power of Attorney
"XXXX"	Printout of www.toyojapan.com website
"YYYY" to "YYYY-8"	Print outs of the websites maintained by the Opposer
"ZZZZ and "ZZZZ-1"	Certified copies of Philippine trademark registrations of TOYO, TOYO IN ARROW DEVICE
"AAAAA" to "AAAAA-1"	Copies of the material pages of the telephone 1" directories of corporations/companies in the Philippines reflecting Armstrong Enterprises Co., Inc. as goods/products of Opposer
"BBBB"	Photograph of the office/ store/outlet of Armstrong Enterprise Co., Inc. showing its signage with Toyo Tires.
"CCCCC" to "CCCCC-6"	Printouts of the websites showing Opposer's TOYO and TOYO IN ARROW DEVICE is used and well-known in the Philippines

On 02 July 2008, a Notice to Answer the Verified Notice of Opposition was issued by this Bureau and served personally to the herein Respondent-Applicant's representative firm Hizon & Miranda on 23 July 2008. On 19 September 2008, Respondent-Applicant filed its Verified Answer through registered mail stating, among others, the following:

1. TREADTEL was incorporated and established in Cebu City on 17 October 2000. It is engaged in importation and wholesale network distribution of pneumatic rubber tires comprising of:
 - a. Steel Belted Radial tyres: Passenger car; Light truck; 4X4 & SUV; Truck & Bus; Agricultural; Off-the-Road; Industrial.
 - b. Nylon Bias tyres: Ultra light passenger; Light Passenger; Light truck; Medium truck; Truck & Bus; Agricultural; Industrial & Off-the-Road.
 - c. Special Application tyres.
2. An alliance between Australian and Filipino entrepreneurs, TREADTEL initially brought in quality produced Australian Agricultural tyres made by South Pacific Tyre of Australia, a partnership between Goodyear USA and Pacific Tyre Dunlop of Australia.
3. At the turn of the year 2001, the product range was increased to include the Continental Tyre Group of Germany, the 4th largest tire manufacturer in the world, covering Continental, Semperit & General tyre brands, manufactured by their various factories in Europe, United States of America, South Africa, South America and Malaysia. Continental makes a vast range of tyres designed to meet the high performance car, light truck van, truck and bus steel radial tyres, in addition to off-the-road & agricultural tyres for use in construction and earth moving.
4. In 2002, TREADTEL secured distributorship of the Deestone brand, one of the top manufacturers of bias or cross ply tyres in Thailand. Cross-ply tire users, comprise the middle to low end consumers, accounting for at least 55% of the Philippine tire market. For the year 2004, , the company secured the agency for Bull brand tyres, manufactured by Hangzhou Fuyang Bull Tyre Co., Ltd. in China, enabling its customer base access to competitive priced bias ply tyres. This was followed by the non-exclusive distributorship of Chaoyang/ Westlake tyres, made by Hangzhou Zhongce Rubber Co., Ltd. ranked 22nd tire manufacturer in the world, again for cross-fly tires.
5. To strengthen its portfolio, TREADTEL was successful in early 2005 securing a budget brand of passenger car radial tires from the 29th ranked tire manufacturer, Nexen Corporation of Korea called Roadstone brand. During this same, period, the importation and distribution of Pirelli brand for passenger car radials, light truck radials, agriculture and off-the-road tires was accomplished. IN December 2006, TREADTEL obtained the distributorship for Trelleborg agricultural and industrial tires. With these developments, TREADTEL was therefore capable of offering to its client base a whole spectrum of the tire requirements for the Philippine market with a range of high, medium and budget priced tire brands.
6. From the start in 2001, TREADTEL initially served the Visayas and Mindanao regions from its main office and warehouse in Cebu. The company established a sales office and logistics facility in Araneta Avenue, Quezon City, Metro Manila in August 2002, to penetrate the major tire market in Metro Manila and Luzon, which account for 45% of total tyre consumption nationwide. To date the Luzon logistical center has been upgraded to 1500 square meter facility located in Cainta, Metro Manila in September 2005.
7. Subsequently, another facility was placed into operation in Davao City in November 2003, to cater to the requirements in the Mindanao area. As part of TREADTEL's expansion program, this facility was also upgraded to another 1500 square meter

office and warehouse. With the set-up, the company has increased its logistic capacity threefold to strategically supply its growing client base. The strategy of directly importing into these logistic centers, instead of the age-old practice of landing the product in Metro Manila alone, has paid dividends, as the cost of the freight and handling had been drastically reduced.

8. Gradually with success, the company is bringing to the market's doorsteps, products with established quality at a competitive price. Its workforce of sales professionals are thoroughly experienced in the Philippine through business, and are completely dedicated to providing the best service available to TREADTEL's clients. These sales professionals are conveniently positioned in the major market areas throughout the Philippines, for maximum efficiency and coverage.
9. TREADTEL as a company is a staunch believer that no matter how technologically advanced are the products it sells, they are only as good as its people assets, that form the foundation of the company, now and well into the future.
10. Armed with logistics and organizational capability for nationwide distribution, TREADTEL in its wish to fulfill its vision to be one of the foremost importers and distributors of quality tires in the Philippines, has taken another step towards that goal with an increase in its Authorized Capital Stock from Php1, 000,000 to Php 12,000,000 as of 21 July 2004. Coinciding with the increase of the Authorized Capital Stock, TREADTEL.COM PTY. LTD. is now registered with the Securities and Exchange Commission (SEC) to do business as a foreign company under the Foreign Investment Act of 1991. The said Australian company; TREADTEL.COM PTY. LTD., holds a 75% majority share of its subsidiary corporation TREADTEL.COM.PH.INC.
11. Sometime in 2007, Mr. Raul Alonzo, TREADTEL's COO was able to negotiate with Hangzhou Fuyang Bull Tyre Co., Ltd. of China (which is now Zhejiang Huntington Forlong Rubber Co. Ltd. with address at No. 1 Gaofu Road, Gaoqiao Town, Fuyang Zhejiang 311402 China) for the making of a local brand for Zhejiang Bull tyre to pit against the Indian tire which has a big market in the Philippines. The tire was named TaRO, the Spanish or Filipino translation for the English word "Bull" The TaRO tyre has a bigger profile than the standard size tyre as it has more rubber than ordinary truck tires. When Zhejiang agreed to manufacture the tire specifications TREADTEL wanted, it bought its molds and filed an application for registration of the trademark TaRO TYRES with the Bureau of Trademarks, Intellectual Property Office on 20 June 2007 under Application Serial No. 4-2007-006383.
12. Upon receipt of the Registrability Report (BT Paper No.2) from the said Office dated 10 August 2007, TREADTEL through its legal counsel and representative, Hizon & Miranda, Attorneys-at-Law filed its Compliance on 16 August 2007, attaching thereto a Special Power of Attorney in favor of its representative and a formal drawing of the mark in black ink.
13. On 18 February 2008, upon receipt of the IPO's Notice of Allowance of TaRO TYRE's publication in the Official Gazette, TREADTEL paid the publication fee therefor.
14. The tires which bear the TaRO TYRES mark also contain the by-line that it is "engineered for the Philippines."

In support of its defenses, Respondent-Applicant submitted the following documentary evidence:

Exhibit	Description
"1"	Secretary's Certificate
"2"	Certified copy of the Certificate of Filing of Amended Articles of Incorporation of TREADTEL.COM.PH, INC.
"3"	Certification issued by the Bureau of Trademarks that an application for registration of TaRO TYRES was filed on 20 June 2007
"4" to "4-B"	Compliance to Paper No. 02 submitted to the Bureau of Trademarks with Secretary's Certificate and formal drawing of the mark TORO TYRES
"5" to "5-A"	Photograph of Respondent-Applicant's tire with the mark TORO TYRE in it:
"6"	TREADETEL'S January 2008 Calendar with the mark TORO TYRES displayed in it
"7"	Page from the souvenir program of PHILSUTEC showing the mark TORO TYRES
"8" to "8-A"	Letter dated 17 September 2008 showing the specifications for a TORO TYRE
"9"	Drawing of the TORO TYRES mark
"10"	Drawing of the various TOYO marks of Opposer
"11"	Affidavit of Mr. Raul V. Alonzo

On 03 October 2008, Opposer filed its Reply. On 15 October 2008, a Notice of Preliminary Conference was issued to the parties. On 17 October 2008, Respondent-Applicant filed its Rejoinder through registered mail attaching thereto a Sole Agency Agreement. During the Preliminary Conference on 24 November 2008, the parties manifested that they are willing to explore the possibility of an amicable settlement, so that the preliminary conference was reset. On 06 February 2009, the preliminary conference was terminated as no compromise agreement was arrived at by the parties despite the ample time given to them. On 24 February 2009, Order No. 2009-412 was issued directing the parties to submit their respective positions papers. Opposer filed its Position Paper on March 20, 2009 while Respondent-Applicant filed its Position Paper through registered mail on 23 March 2009. On 13 April 2009, a Reply Position Paper was filed by Opposer. Hence, the case was submitted for decision.

The main issue to be resolved in this case is: WHETHER OR NOT RESPONDENTAPPLICANT'S MARK "TORO TYRES" IS CONFUSINGLY SIMILAR TO OPPOSER'S; "TOYO" MARK.

At the outset, it bears stressing that Respondent-Applicant has already disclaimed the word "tyres", as such it is made of record that such word which is a significant element of the mark is not being exclusively appropriated by itself apart from the mark as shown. Therefore, considering the disclaimer made by Respondent-Applicant on the word "tyres", what is left to be determined in the instant case is whether the word "TaRO" is confusingly similar with "TOYO".

In determining the registrability of a mark, Section 123. 1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, provides:

"SEC. 123. Registrability. -123.1 A mark cannot be registered if it:

xxxx

(d) Is identical with a registered mark belonging to a different proprietor or a 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 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 marks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two marks is such that there is possibility of the older brand mistaking the newer brand for it.

In trademark cases, jurisprudential precedents should be applied only to a case if they are specifically in point. The Supreme Court in a line of cases held: “that in cases involving infringement of trademarks, it has been held that there is infringement 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 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; and that duplication or imitation is not necessary, a similarity of the dominant features of the trademark would be sufficient.”¹

In the case at bar, Opposer asseverated that Respondent-Applicant’s TORO TYRES is an obvious imitation of its registered and well-known marks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE and that the only difference is the third letter so that if registration of the TORO TYRES is allowed the relevant consumers will likely be deceived and misled as to the source and quality of the parties’ goods and will further be misled as to the relationship and sponsorship of the parties’ businesses. Opposer argued further that the adoption of the mark TORO TYRES by Respondent-Applicant has been tainted with bad faith.

To counter Opposer’s argument, Respondent-Applicant averred that TORO TYRES is not in any way identical with or confusingly similar with or a colorable imitation of the marks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE, and thus is can be registered as a trademark under the IP Code. Respondent-Applicant elaborated that the mark TORO TYRES, by its appearance, style and tagline - “engineered for the Philippines” and a depiction of a bull between the word TORO and TYRE does not resemble even remotely, any aspects of Opposer’s mark as to cause confusion or mistake; it is not in any way a colorable imitation of the marks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE as their appearances are very much different from TORO TYRES and Opposer’s mark carry no logo or image nor they do come with a tagline or any slogan that is in anyway confusingly similar with Respondent’s mark. In addition, Respondent-Applicant argued that there is no visible similarity between the appearance, letterings, font ,design, style and background of the marks; it is of no moment that there is only one letter that separates TORO from TOYO; the meanings of the two words are worlds apart that anyone, even with those little knowledge about tires will not see any connection between the two marks nor will they be likely confused that they are one and the same or that they come from the same origin.

For a visual comparison of the competing marks, we have reproduced the marks hereunder:

Opposer's Marks	Respondent-Applicant's Mark
<p>Registrations No. 023241/023242</p> <p></p> <p></p>	<p></p>
<p><small>1 Philippine Trademark vs. Standard Brands Incorporated et al., citing Viz Clarke vs. Manila Candy Co. 36 Phil 100; Alhambra Cigar & Cigarette Co., vs. Jao Oge, 47 Phil 75; Etepha A.G. vs. Director of Patents and Westmont Pharmaceuticals Inc. No. L-20635, 16 SCRA 495.</small></p>	<p><small>65 SCRA 575; Co Tiong So vs. Director of Patents, 94 Phil 1</small></p>

From the above illustration, it is evident that Respondent-Applicant's TaRO TYRES mark is similar with the Opposer's registered mark TOYO. Both marks have the same four (4) letters, which are arranged precisely in the same way. Except for the font used, and the letter "Y" in Opposer's mark which was replaced with letter "R" in Respondent's mark, such difference pales into insignificance because of their indistinguishable appearance. In one American case², the rule applied was that, the conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term.³ Analogously, confusion cannot also be avoided by the merely changing some of the letters of a registered mark, as in this case. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.⁴ An unfair competitor need not copy the entire mark to accomplish its fraudulent purposes. It is enough if he takes the one feature which the average buyer is likely to remember.⁵

Going further, while Respondent-Applicant posited that the mark TORO TYRES, by its appearance, style and tagline -"engineered for the Philippines" and a depiction of a bull between the word TORO and TYRE does not resemble even remotely, any aspects of Opposer's mark as to cause confusion or mistake; it is not in any way a colorable imitation of the marks TOYO, TOYO TIRES and TOYO IN ARROW DEVICE as their appearances are very much different from TORO TYRES and Opposer's mark carry no logo or image nor they do come with a tagline or any slogan that is in anyway confusingly similar with Respondent's mark, such allegation and argument is without a basis. It must be emphasized that what is subject of opposition in the case at bar is the trademark "TORO TYRES" under Serial No. 42007-006383 and a cursory examination of the filewrapper of this mark, it will show that what was applied for registration is only the mark TORO TYRES. The allegation of Respondent-Applicant that the TORO TYRES mark is not confusingly similar to Opposer's mark because it has a tagline -"engineered for the Philippines" and picture of a BULL between the words TORO and TYRES is misleading as no such tagline or sketch of a bull is contained in the application of the trademark TORO TYRES. What was applied for was mainly a word mark sans any device or tagline.

Significant also, is the fact the aside from the similarity in the mark itself, it must be pointed out that the goods which both parties carry is identical, i.e., tires, belonging to the same Class 12. As such both goods flow through the same channels of trade and therefore makes the likelihood of confusion or mistake all the more apparent than remote.

Thus, in case of grave doubt, the rule that as between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁶

2 Continental Connector Corp. vs. Continental Specialties Corp. 207 USPQ 60

3 Continental Connector Corp. vs. Continental Specialties Corp. 207 USPQ 60.

4 Societe Des Produits Nestle, et. Al. vs. Court of Appeals. G.R. No. 112012. April 4, 2001

5 Nims, The Law of Unfair Competition and Trademarks, 4th ed. Vo. 2, pp. 678-679

6 Del Monte Corporation, et. al. vs. Court of Appeals, G.R. No. 78325. January 25, 1990.

Finally, Respondent in its attempt to convince this Bureau that its mark TORO TYRES is not confusingly similar with Opposer's TOYO mark explained that in 2007 Mr. Raul Alonzo, TREADTEL's COO was able to negotiate with Hangzhou Fuyang Bull Tyre Co., Ltd. of China for the making of a local brand for Zhejiang Bull tyre to pit against the Indian tire which has a big market in the Philippines and that the tire was named TORO, the Spanish or Filipino translation for the English word "Bull". However, this statement by Respondent is a mere allegation as no evidence was presented to prove such claim by Respondent. An indication of good faith is the possibility that two businessmen or entities are, independently of each other, able to come up with identical or confusingly similar marks for use on same or related goods. However, both of them should be able to give plausible explanations regarding the origin and ownership of the trademark. As can be deduced from the pleading submitted by Respondent, it has been engaged in the business of importing, selling and distributing tyres since 2000 and it is close to impossible for Respondent to have not known of the TOYO tires of Opposer which have been sold and distributed extensively in the Philippines even prior to their application for registration of the mark TORO TYRES.

Verily, from the foregoing, this Bureau is convinced that the registration of the mark TORO TYRES should not be allowed for being confusingly similar to the registered mark TOYO of herein Opposer.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, TOYO TIRE & RUBBER CO., LTD. against respondent-applicant TREADTEL.COM.PH, INC. is, as it is hereby SUSTAINED. Consequently, the trademark application for the registration of the mark "TORO TYRES" used for tires under Class 12 of the international classification of goods bearing Application Serial No. 4-2007-006383 filed by Respondent-Applicant filed on 20 June 2007 is, as it is hereby, REJECTED.

Let the filewrapper of TORO TYRES be transmitted to the Bureau of Trademarks (BOT) for appropriate action in accordance with this DECISION.

SO ORDERED.

Makati City, 20 July 2009

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