

YKK CORPORATION,	}	IPC NO. 14-2007-000239
	}	Case filed on: August 21, 2007
Opposer,	}	Opposition to:
	}	Serial No. 4-2005-012054
- versus -	}	Date filed: 18 Dec. 2005
	}	TM: "YKK & LOGO"
ERNESTO YU KEPING,	}	
Respondent-Applicant.	}	
x-----x		Decision No. 2009-12

DECISION

Before this Bureau is an Opposition case filed on 21 August 2007 by herein Opposer, YKK CORPORATION, a Japanese Corporation with office address at 1, Kanda Izumi-Cho, Chiyoda-ku, Tokyo, Japan against the application for registration of the trademark "YKK & LOGO" bearing Application Serial No. 4-2005-012054 filed on 18 December 2005 for animal and fish feeds falling under Class 31 by ERNESTO YU KEPING, herein Respondent-Applicant, with address at 76 Macarthur Highway, Mabini, Moncada, Tarlac, Philippines.

The subject trademark application was published for opposition in the Intellectual Property Office Official Gazette, which was officially released for circulation on 20 April 2007.

The grounds relied upon by Opposer are reproduced herein, to wit:

"1. The registration of Respondent-Applicant's "YKK & LOGO" mark is contrary to Section 123.1 (d), (e) and (f) of the IP Code.

2. Respondent-Applicant's "YKK & LOGO" mark is identical with, or nearly resembles Opposer's YKK Marks which were registered in the Philippines prior to the filing date of Respondent-Applicant's application for the registration of the said mark. The identity and striking resemblance between Respondent-Applicant's "YKK & LOGO" and Opposer's YKK Marks is likely to deceive or cause confusion. Consequently, Opposer is entitled to protection under Section 123.1 (d) (iii) of the IP Code.

3. Opposer's YKK Marks are well-known and world famous marks. Respondent-Applicant's use of the "YKK & LOGO" mark on "animal and fish feeds" under Class 31 will indicate a connection between to the latter. Obviously, Respondent-Applicant's adoption and use of the "YKK & LOGO" mark were done precisely to ride upon the popularity and goodwill of the Opposer's YKK Marks thereby causing incalculable and irreparable damage not only to Opposer but the consuming public as well. Accordingly, Respondent-Applicant's "YKK & LOGO" mark cannot be registered as provided for under Section 123.1 (e) and (f) of the IP Code."

Together with the Verified Notice of Opposition, Opposer submitted the following documentary evidence:

Exhibits	Description
"A"	Certified copy of Registration No. 4-2000-003656 for the mark YKK issued on 28 April 2003 for Classes 18, 24 & 26
"B"	Certified copy of Registration No. 4-1994-097246D for the mark Y Device &

	YKK issued on 08 July 2004 for Class 06
"C"	Certified copy of Registration No. 4-1999-007672 for the mark YKK LITTLE PARTS, BIG DIFFERENCE issued on 18 January 2004 for Class 26
"D"	Certified copy of Registration No. 002834 for the mark YKK issued on 27 September 1982 for Class 26
"E"	Certified copy of Registration No. 0042868 for the mark YKK issued on 24 January 1989 for Class 26
"F"	Print out of trademark Application No. 4-2005-012054 from the IPO trademark database for the registration of YKK & Logo in the name of Respondent
"G"	Authenticated Affidavit of Mr. Tadahiro Yoshida
"H-1" to "H-3"	Photograph of Respondent-Applicant's product and other materials bearing the YKK & Logo mark
"I-1" to "I-28"	Actual product samples, catalogues and website print outs bearing Opposer's YKK marks
"J"	Web page print outs of Opposer's Brazilian affiliate, Agro Pecuaria YKK Ltd. With English translation
"K-1"	WWD Fashion Magazine
"K-2"	Outdoor Business Magazine
"K-3"	Marine Fabric Cotton Magazine
"K-4"	Textile Intelligence Magazine
"K-5" and "K-5-1"	A digital copy stored in CD of YKK Magazine Advertising and print-out of the Forbes Magazine
"K-5-2" to "K-5-8"	Representative print-outs of different magazines
"K-6" to "K-6-22"	Copies of other magazines
"K-7"	Copy of the EMEA Magazine
"K-8"	Copy of the Textile and Plastic Product Magazine
"K-9"	Copy of Autumn Collection Magazine
"K-10"	Original YKK mouse pad
"K-11"	Original coaster
"K-12" to "K-15"	Electronic copies/print-outs/original stationary and envelop and electronic

	copy of the TV show stored in CD of Opposer's World Communication/ Sponsorship Activities
"L"	Affidavit of Mr. Julius Roel Viray with Annexes "A" to "I"
"M"	Advertisements and promotional materials of YKK in the Philippines
"N-1" to "N-"	Certified true copies of Certificates of Registration of YKK in Argentina, Australia, Canada, OHIM, Denmark, Germany, Hong Kong, Italy, Japan, Korea, Malaysia, Singapore, South Africa, Switzerland, Thailand, U.S.A., Vietnam, Indonesia, Andorra, Armenia and an electronic copy stored in CD Certificates of Registration of YKK in various countries worldwide
"O"	Affidavit of Takashi Nagayasu
"P"	Certified copy of the Decision dated January 4, 1985 in Inter Partes Case No. 1336 by the Philippine Patent Office
"Q"	Certified copy of the U.S. District Court Decision CV.00-5731 FMC (Rcx) dated 09 august 2002
"R"	Certified copy of the Chinese Decision No. 2005#00013 with English Translation
"S"	Certified copy of Japan Patent Office Invalidation Trial No. 2000-35163 dated 02 December 2002 with English translation
"T"	Original copy of Korean Publication for Frequently Plagiarized Trademarks of 2005 with English translation
"U"	Print-out of IPO on-line database showing search result for YKK marks
"V"	Certified copy of Japanese Trademark Registration No. 06445398 including Defensive Registration No. 16 registered September 29, 1989 (which covers animal feeds)

On August 31, 2007, this Bureau issued a Notice to Answer. Said Notice was served through registered mail and was received by Respondent-Applicant on 13 September 2007. On October 8, 2008, Respondent-Applicant filed a Motion for Extension to file an Answer which was granted by this Bureau under Order No. 2007-1878 on October 15, 2007. On November 6, 2007, Respondent-applicant filed its verified Answer stating the following Special Defenses:

"1. The Respondent-Applicant is engaged in a business which is far, if not totally different, from the Opposer's line of business. His trademark application for the mark "YKK & Logo" indicated therein animal and fish feeds as the goods on which his business is involved and was categorized under Class 31 by the Honorable Office, different from the classes under which the Opposer's line of business is classified.

1.1. As a consequence of the foregoing, the evident disparity of the products of the Opposer and the Respondent-Applicant renders unfounded and conjectural the apprehension of the former that confusion of the business or origin will occur if the latter is allowed to register the mark “YKK & Logo”.

2. This Honorable Office has allowed the Respondent-Applicant’s trademark application, showing the absence of any irregularity in the said application or possible deception to the consumers that would result from the use by the Respondent-applicant of the trademark applied for. If, as claimed by the Opposer, its mark is well-known and famous worldwide, so that the Respondent-Applicant of the trademark applied for will lessen the distinctiveness of the Opposer’s mark, then the Respondent-Applicant’s application should have been denied outright. But this Honorable Office did not, rendering the claim of the Opposer baseless and unfounded. The presumption therefore is that the acquiescence by this Honorable Office of the Respondent-Applicant’s trademark application resulted from a belief that the application was conformable to the law or fact.

3. The Respondent-Applicant’s trademark application was made in good faith without any intention to cause damage to the Opposer, much less to take advantage of or ride with the alleged popularity of the Opposer’s mark.

3.1 The “YKK & Logo” mark sought to be registered by the Respondent-Applicant is patterned after the initials of his father Yu Ka Kee, who started the poultry business in 1970.

3.2 The Respondent-Applicant, with his father, has been in the poultry business as early as 1970 and has been operating under the previous name YKK Feds Mill and YKK Poultry Farm, since 1989 and 1997 respectively. The Respondent-Applicant’s poultry business was soon incorporated with the Securities and Exchange Commission in 2004 under the name YKK Agri-Ventures, Inc. The corporation was also registered with the Department of Trade and Industry on June 8, 2004 for which a certificate of business name was issued in its favor, valid from June 8, 2004 to June 8, 2009.

3.3 As a consequence of the foregoing, it cannot be said that the Respondent-Applicant’s trademark application for the mark “YKK & Logo” was tainted with bad faith or intended to disparage the business reputation of the Opposer, but was for the sole purpose of preserving the name which the Respondent-Applicant has been continuously using and with which his poultry business had long been associated.”

Attached to the Verified Answer are the following documentary exhibits:

Exhibits	Description
“1”	Bureau of Animal Industry Registration No. M-299 issued to YKK Feeds Mill on February 15, 1989
“2”	Bureau of Animal Industry Registration No. NM-548 issued to YKK Poultry Farm on 29 January 1997
“3”	Certified copy of Certificate of Incorporation issued to YKK Agri-Venture, Inc. by the Securities and Exchange Commission on 18 February 2004
“4”	Affidavit of Ernesto Yu Keping

On November 14, 2007, a Notice of Preliminary Conference was issued setting the preliminary conference on December 13, 2007. On November 16, 2007, Opposer filed a Reply and Manifestation. After several resetting of the preliminary conference, the same was terminated on 11 February 2008 for failure of the parties to come up with an amicable settlement. On 18 February 2008, this Bureau issued Order No. 2008-269 directing the parties to submit their respective position papers. On March 3, 2008, Opposer filed its Position Paper while Respondent-Applicant filed his Position Paper on March 6, 2008.

The main issue to be resolved in this case is: WHETHER OR NOT RESPONDENT-APPLICANT'S MARK "YKK & LOGO" SHOULD BE REGISTERED.

Opposer in its Position Paper asserted that it is the lawful registrant of the YKK mark in the Philippines since 1961 for goods covered under Class 26 and that at present it has maintained various registrations for its YKK marks in the Philippines. Opposer also claimed that Respondent-Applicant's YKK and Logo mark is identical with or nearly resembles its YKK marks and therefor cannot be registered under Section 123.1 (iii) of the IP Code. Opposer also claimed that as a result of its extensive worldwide use, promotion and registrations of its YKK marks, several jurisdictions have declared said marks as well-known and world famous. According to Opposer, the well-known status of its YKK marks has been affirmed not only in the United States of America, China and Japan but also here in the Philippines and as such the registration of the herein subject mark is proscribed under Section 123.1 (f) of the IP Code. Additionally, Opposer posited that Respondent-Applicant's YKK & Logo mark covering "animal and fish feeds" under Class 31 will dilute the distinctiveness of its YKK marks, causing irreparable damage to it.

To counter Opposer's arguments, Respondent-Applicant reasoned out that Section 123.1 (d) and (e) upon which Opposer relied its argument is not applicable in this case as Respondent-Applicant is engaged in a business which is totally different, from the Opposer's line of business. There is a world of difference between Respondent's animal feeds and Opposer's fastening and architectural products. Respondent-Applicant goes on to say that the evident disparity of the product of the Opposer and the Respondent-Applicant, renders unfounded and conjectural the apprehension of the former that the dilution of the distinctiveness of its marks and confusion of business origin will occur if the latter is allowed to register the herein subject mark.

The applicable provision of the law in resolving the issue at hand are Sections 123.1 (d) and (f) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines which provides, to wit:

"Section 123. *Registrability.* – 123.1. A mark cannot be registered if it: xxx

"(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; xxx

(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 of goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use."

In ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, jurisprudence has developed two tests, the dominance test and the holistic test. The dominance test focuses on the similarity of the prevalent features of the competing trademarks that might cause confusion. In contrast, the holistic test requires the court to consider the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The test of dominance is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code, which defines infringement as the “colorable imitation of a registered mark . . . or a dominant feature thereof.”

In the earlier case of Philippine Nut Inc. vs. Standard Brands Incorporated et. al., the High Court had already ruled that “in cases involving infringement of trademarks, it has been held that there is infringement when the use of the mark involved would likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of 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 dominance,” 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.

For purposes of comparison, the marks of the parties are shown below:

Opposer’s YKK Marks	Respondent-Applicant’s “YKK & LOGO” mark
 (“YKK”)	
 (“Y DEVICE & YKK”)	
 (“YKK LITTLE PARTS, BIG DIFFERENCES”)	
 (“YKK”)	
 (“YKK”)	

From the above illustration, it cannot be doubted that Respondent-Applicant's mark is almost identical to the marks of the Opposer because of the presence of the dominant word "YKK" which is Opposer's registered mark itself. Thus, on that point alone, Respondent-Applicant's mark may already be disallowed for registration.

However, as pointed earlier, Respondent-Applicant claimed that Opposer's argument has no basis or and its reliance on Section 123.1 (d) and (f) is misplaced because Respondent-Applicant is engaged in the business totally different from that of Opposer, that is, there is a world of difference between its animal feeds as compared to the fastening and architectural products of Opposer.

Jurisprudentially, "there are two types of confusion, the first is the confusion of goods "in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other." . . . The other is the confusion of business: "Here though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist." In cases of confusion of business or origin, the question that usually arises is whether the respective goods or services of the senior user and the junior user are so related as to likely cause confusion of business or origin, and thereby render the trademark or trade names confusing similar. Thus, it is inevitable for us to determine whether the goods of the parties are related.

In the often-cited case of *ESSO STANDARD EASTERN, INC. vs. COURT OF APPEALS*, the Supreme Court held that:

"Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus, biscuits were held related milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. The trademark "Ang Tibay" for shoes and slippers and pants were disallowed to be used for shirts and pants because they belong to the same general class of goods. Soap and pomade, although non-competitive, were held to be similar or to belong to the same class, since both are toilet articles."

In the case of *FABERGE, INCORPORATED vs. INTERMEDIATE APPELLATE COURT*, the High Court stated: "judging from the physical attributes of petitioner's and private respondent's products, there can be no doubt that confusion or the likelihood of deception to the average purchaser is unlikely since the goods are non-competing and unrelated. The glaring discrepancies between the two products had been amply portrayed to such an extent that indeed, "a purchaser who is out in the market for the purpose of buying respondent's BRUTE brief would definitely be not mistaken or misled into buying BRUT after shave lotion or deodorant" as categorically opined in the decision of the Director of Patents relative to the inter-partes case." (Emphasis supplied)

These precedents are supported by Section 138 of the IP Code which states:

"Section 138. *Certificate of Registration*. – A certificate of registration of a mark shall be *prima facie* evidence of the validity of 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 specified and those that are related thereto specified in the certificate."

Prescinding from the above, Respondent is correct in saying that Opposer cannot oppose the registration of the subject mark merely on the ground that it is identical to or confusingly similar with its registered YKK marks. When a trademark is used by a party on a product in which the other party does not deal, the use of a same trademark on the latter's product cannot be validly objected to. In the case at bar, Opposer's marks are used on fastening and architectural products belonging to Classes 18, 25 and 26 while Respondent's mark is used on fish and animal feeds falling under Class 31.

But Opposer was not dissuaded. In order to defeat such arguments of Respondent, Opposer posited that even if the products or goods of Respondent-Applicant is different from its goods or products, Respondent's mark still cannot be registered because it will result to the dilution of Opposer's well-known mark YKK.

The dilution theory upon which Opposer base its argument grants protection to strong, well-recognized marks, even in the absence of likelihood of confusion, where the defendant's use would be such as to diminish or dilute the strong identification value of the plaintiff's mark though customers may not be confused as to sources, sponsorships, affiliations and/or connections.

The theory of dilution of mark is not a new concept, in fact, this theory has been recognized by no less than the Supreme Court in this jurisdiction. In the case of LEVI STRAUSS & CO., vs. CLINTON APPARELLE, INC., the Supreme Court explained:

“Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of a famous mark is entitled to an injunction “against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” This is intended to protect famous marks from the subsequent uses that blur distinctiveness of the mark or tarnish or disparage it.”

Based on the foregoing, to be eligible for protection from dilution, there has to be a finding that: (1) the trademark sought to be protected is famous and distinctive; (2) the use of Respondent's began after the Opposer's mark became famous; and (3) such subsequent use defames Opposer's mark.

In the instant case, it cannot be disputed that Opposer's YKK mark has been recognized as a well-known mark not only in this jurisdiction and that Respondent-Applicant's mark was used only after Opposer's mark was declared well-known (Respondent's use was in 1987 but Opposer's mark was declared well-known in 1985, no evidence was presented to show a much earlier use by Respondent of the mark). However, Opposer has yet to establish whether the subsequent use of the herein subject mark defames its mark or that it has cause dilution of the distinctive quality of the Opposer's mark.

Lastly, while Opposer submitted a print-out of the web page of Agro Pecuaría YKK Ltd., a company engaged in cattle farm, rice and coffee plantation, which is allegedly its Brazilian affiliate, no supporting documentary evidence was presented to prove such claim.

Verily, considering that the goods of the parties are different, non-related and non-competing, and Opposer failed to present evidence that the use by Respondent of a similar mark cause dilution of its own mark, the registration of the herein subject mark is proper.

WHEREFORE, premises considered, the instant Opposition is as, it is hereby DENIED. Accordingly, application bearing Serial No. 4-2005-012054 for the mark “YKK & LOGO” filed in the name of ERNESTO YU KEPING on 08 December 2005 under Class 31 of the International Classification of Goods is hereby GIVEN DUE COURSE.

Let the file wrapper of "YKK & LOGO" subject matter of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

21 January 2009, Makati City.

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