



OFFICE OF THE DIRECTOR GENERAL

KOLIN ELECTRONICS CO., INC.,  
Opposer-Appellant,

Appeal No. 14-07-20

-versus-

TAIWAN KOLIN CO., LTD.,  
Respondent-Appellee.

IPC No. 14-2004-00105

Opposition to:

Application No. 4-2002-011001

Filing Date: 27 December 2002

Trademark: KOLIN

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DECISION

KOLIN ELECTRONICS CO., INC. ("Appellant") appeals Decision No. 2007-26 dated 28 February 2007 of the Director of the Bureau of Legal Affairs ("Director") denying the Appellant's opposition to the application for the registration of the mark "KOLIN" filed by TAIWAN KOLIN CO., LTD. ("Appellee").

Records show that the Appellee filed on 27 December 2002 the trademark application,<sup>1</sup> which was published for opposition on 05 July 2004.<sup>2</sup> The Appellant filed on 03 August 2004 a "VERIFIED NOTICE OF OPPOSITION" alleging that it would be damaged by the registration of KOLIN in Appellee's name. According to the Appellant, the registration of KOLIN will violate its proprietary rights/interests, business reputation and goodwill over this mark, and that its trade/corporate name will be diluted, thereby causing irreparable injury to it.

The Appellant maintained that it first used KOLIN in Philippine commerce as early as 17 February 1989 through its predecessor-in-interest Miguel Tan doing business under the name and style Kolin Electronics Industrial Supply for the manufacturing, distributing, and selling of electronic products such as automatic voltage regulators, converters, rechargers, transformers, and amplifiers. The Appellant claimed that Miguel Tan filed on 17 August 1993 with the then Bureau of Patents, Trademarks, and Technology Transfer ("BPTTT")<sup>3</sup> of the Department of Trade and Industry Trademark Application No. 87497 for the registration of the mark

<sup>1</sup>Application No. 4-2002-011001 covering the goods air-conditioners, refrigerators, electric fans, window type air-conditioners, package type air-conditioners, ceiling mounted air-conditioners, split type air-conditioners, dehumidifier, washing machines, show case refrigerators, chest type freezers, upright freezers, beverage coolers, water chillers, household electric fans, industrial electric fans, rice cooker, stew cooker, microwave ovens, gas stoves, gas range, dish dryer, oven toaster, dish washing machine, bottle sterilizer, electric air pot, water heater, grillers and roasters, coffee and tea makers, turbo boiler, juicemaker, and other similar electrical appliances.

<sup>2</sup>The trademark application was published for opposition in the Intellectual Property Office Gazette, Volume VII, No. 3, Page 106.

<sup>3</sup> The BPTTT was abolished and replaced by the Intellectual Property Office under the provisions of the Intellectual Property Code of the Philippines ("IP Code").

KOLIN used on automatic voltage regulator, converter, recharger, stereo, booster, AC-CD regulated power supply, step-down transformer and PA amplified AC-DC under Class 9 of the Nice Classification.<sup>4</sup> The Appellant stated that Miguel Tan executed on 20 November 1995 a Deed of Assignment of Assets, assigning to it all the assets of his business Kolin Electronics Industrial Supply including Trademark Application No. 87497 under a Deed of Assignment duly recorded by the BPTTT.

The Appellant asserted that Trademark Application No. 87497 was subsequently published for opposition and the Appellee filed a Verified Notice of Opposition to oppose this application claiming that there is confusing similarity between its mark and the Appellant's mark. The Appellant averred that the Director issued Decision No. 2002-46 on 27 December 2002 denying the opposition for lack of merit, which was affirmed by the Director General on 06 November 2003. The Appellant argued that the Appellee filed the subject trademark application in bad faith because the Appellee is fully aware that the Appellant is the prior user of the mark KOLIN in the Philippines and that the Appellant's Trademark Application No. 87497 was filed on 17 August 1993 and published on 23 June 1998, which dates are much earlier than the 27 December 2002 filing date of the Appellee's trademark application.

The Appellant contended that by reason of its prior use in the Philippines of KOLIN and its earlier filing date of Trademark Application No. 87497, it has the exclusive right to prevent third parties including the Appellee from using an identical or similar mark for goods or services that are similar or related to the goods wherein KOLIN is used by the Appellant. The Appellant claimed that the Appellee's mark is identical with or confusingly similar to its mark and the similarity is likely to deceive purchasers of goods on which it is to be used to an extent that said goods might be mistaken by the unwary public to be manufactured by the Appellant, and might mislead the public as to the nature, quality, characteristic, and origin of the goods on which it is affixed. The Appellant mentioned that under Sections 123 (d) and (g) and 165.2 (a) of the Intellectual Property Code of the Philippines ("IP Code"), the government is bound to protect the Appellant's mark by rejecting the Appellee's trademark application.

The Appellant filed on 30 August 2004 a "MOTION FOR LEAVE TO FILE AND ADMIT ATTACHED SUPPLEMENTAL VERIFIED NOTICE OF OPPOSITION" which was admitted and made part of the records. In the Supplemental Verified Notice of Opposition, the Appellant alleged, among other things, that the registration of the identical mark KOLIN in favor of the Appellee shall violate Sec. 147 of the IP Code which provides that the owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion.

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<sup>4</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

The Appellant submitted the following evidence to support the opposition:

1. Affidavit of Johnson Tan, executed on 20 December 2005;
2. Affidavit of Miguel Tan, executed on 20 December 2005;
3. Affidavit of Julie Tan Co, executed on 20 December 2005;
4. Trademark Application No. 87497 for KOLIN;<sup>5</sup>
5. Articles of Incorporation of the Appellant;<sup>6</sup>
6. Secretary's Certificate, dated 26 July 2004;<sup>7</sup>
7. Cert. of Reg. No. 4-1993-087497 for KOLIN;<sup>8</sup>
8. Deed of Assignment, executed on 20 November 1995;<sup>9</sup>
9. Verified Notice of Opposition, dated 09 July 1998;<sup>10</sup>
10. Decision, dated 27 December 2002;<sup>11</sup>
11. Decision, dated 10 November 2003;<sup>12</sup>
12. Resolution, dated 01 July 2004;<sup>13</sup>
13. Order No. 2004-397, dated 21 July 2004.<sup>14</sup>
14. Brochures and magazine advertisements;<sup>15</sup>
15. Notice to the Public published in the Philippine Daily Inquirer on 29 November 2004;<sup>16</sup> and
16. Notice to the Public published in the Philippines Star on 10 March 2003.<sup>17</sup>

The Appellee filed on 24 September 2004 its Answer alleging that the instant trademark application is a re-filed/revived application of Trademark Application No. 4-1999-06890 filed on 14 September 1999 for the registration of KOLIN for goods falling under Class 11. According to the Appellee, Trademark Application No. 4-1999-06890 in turn become a separate application on account of BPTTT-IPO Order No. 2 which required the Appellee to elect one (1) class of goods for its original Trademark Application No. 106310 filed on 29 February 1996 wherein the goods covered thereby fall under three (3) classes, namely 9, 11, and 21.

The Appellee argued that its trademark application was neither made in bad faith nor filed fraudulently. The Appellee contended that the Appellant neither filed any application for the registration of KOLIN for goods falling under Class 11 nor filed an application with an earlier filing date from the Appellee's instant trademark application including the trademark application filed on 14 September 1999. The Appellee stated that the Appellant or its predecessor-in-interest, if any, has not used or

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<sup>5</sup> Exhibit "A" attached to the affidavit of Miguel Tan.

<sup>6</sup> Exhibit "A" attached to the affidavit of Julie Tan Co.

<sup>7</sup> Exhibit "B".

<sup>8</sup> Exhibit "C".

<sup>9</sup> Exhibit "D".

<sup>10</sup> Exhibit "E".

<sup>11</sup> Exhibit "F".

<sup>12</sup> Exhibit "G".

<sup>13</sup> Exhibit "H".

<sup>14</sup> Exhibit "I".

<sup>15</sup> Exhibits "J", "K", "L" and "M".

<sup>16</sup> Exhibit "N".

<sup>17</sup> Exhibit "O".

affixed the mark KOLIN on any goods under Class 11 prior to the Appellee's actual use since 1996 of KOLIN for goods belonging to Class 11 per its Declaration of Actual Use dated 27 December 2002. The Appellee asserted that the Appellant or its predecessor-in-interest, if any, has neither ventured nor embarked nationwide, in the Philippines or elsewhere to the best of the knowledge or information of the Appellee in the manufacture, distribution, and/or selling of goods falling under Class 11 up to the present.

On the other hand, according to the Appellee, its goods on Class 11 bearing the mark KOLIN are found, sold, and/or distributed from various outlets/dealers of Kolin Philippines International, Inc. in Luzon, Visayas, and Mindanao wherein the latter corporation is a stockholder to an extent of forty percent (40%) of its outstanding capital stock duly incorporated since 24 July 1995 primarily to engage in, operate, conduct, and maintain the business of manufacturing, assembling, selling or otherwise dealing in wholesale such products as air-conditioning units, television sets, and other electronic equipment of similar nature in the Philippines.

The Appellee averred that Decision No. 2002-46 dated 27 December 2002 issued by the Director and the Decision dated 06 November 2003 issued by the Director General in IPC No. 14-1998-00050 aptly pertain to the Appellant's registration of the mark KOLIN for Class 9 goods, and is not yet *res judicata* to the Appellee's registration for KOLIN in Class 11 which is the subject of the instant trademark application. The Appellee contended that the Appellant's certificate of registration confers upon the Appellant the exclusive right to use KOLIN only to those goods specified in the certificate.

The Appellee asserted that the Appellant's goods in Class 9 is not similar, not related or closely related, or does not have the same descriptive properties or possess the same physical attributes or essential characteristics with reference to form, composition, texture or quality, nor serve the same purpose, nor competing with the goods in Class 11 which is the subject of the Appellee's instant trademark application.

The Appellee further claimed that the Appellant's facsimile representation of KOLIN for goods in Class 9 is not the Appellant's supposed facsimile representation for KOLIN then accompanying its Trademark Application No. 87947 filed on 17 August 1993, showing an apparent bad faith or fraud on the Appellant's part in unduly abstracting or adopting the Appellee's representation of KOLIN rather than Appellant's own mark. The Appellee posited that the Appellant's ground for opposition that the registration of KOLIN in the Philippines for goods on Class 11 dilutes/will dilute the Appellant's trade/corporate name is untenable since trademark is not synonymous with trade name, and even so, the Appellant's corporate/trade name Kolin Electronics Co., Inc. is evidently distinct from the Appellee's trade/corporate name, Taiwan Kolin Co, Ltd. and that the Appellee's right/s to the mark KOLIN for goods on Class 11 goods is recognized both in China and Taiwan, R. O. C. in favor of the Appellee since 1986 and existing up to the present.

The Appellee submitted the following evidence to support its position:

1. Trademark Application No. 4-2002-01101 for KOLIN;<sup>18</sup>
2. Trademark Application No. 4-1999-06890 for KOLIN;<sup>19</sup>
3. Trademark Application No. 4-1996-106310 for KOLIN;<sup>20</sup>
4. Petition to Revive Application, dated 13 September 1999;<sup>21</sup>
5. Facsimile representation of KOLIN;<sup>22</sup>
6. Declaration of Actual Use, dated 19 December 2002;<sup>23</sup>
7. Advertisements and brochures for KOLIN;<sup>24</sup>
8. Sales Invoices;<sup>25</sup>
9. Letterhead of Kolin Philippines International, Inc.<sup>26</sup>
10. Signage of KOLIN at Kolin Philippines International, Inc.<sup>27</sup>
11. Appellee's corporate changed register card;<sup>28</sup>
12. Certificates of Trademark Registration for KOLIN in Taiwan, Republic of China;<sup>29</sup>
13. Dealer/Customer directory of Kolin Philippines International, Inc.;<sup>30</sup>
14. Articles of Incorporation of Kolin Philippines International, Inc.<sup>31</sup>
15. Secretary's Certificates, dated 04 June 2004, 20 February 2004, and 17 August 2004;<sup>32</sup>
16. Certificates of Trademark Registration for KOLIN in Peoples Republic of China;<sup>33</sup>
17. General Information Sheet of Kolin Philippines International, Inc.;<sup>34</sup>
18. Calling card of Mr. Tom Y. Tseng;<sup>35</sup>
19. Affidavit of Chi-Lei Liu, dated 09 October 2005;<sup>36</sup>
20. Affidavit of Tong-Yong Tseng (Tom Y. Tseng), dated 16 November 2005;<sup>37</sup> and
21. Affidavit of Efrenilo M. Cayaña, dated 10 November 2005.<sup>38</sup>

After the appropriate proceedings, the Director denied the opposition and ruled that the Appellee is entitled to the registration of KOLIN for goods on Class 11.

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<sup>18</sup> Exhibit "1".

<sup>19</sup> Exhibit "2".

<sup>20</sup> Exhibit "3".

<sup>21</sup> Exhibit "3-A".

<sup>22</sup> Exhibits "4" and "4-A".

<sup>23</sup> Exhibit "5".

<sup>24</sup> Exhibits "6" to "20", and "30" to "33" inclusive of sub-markings.

<sup>25</sup> Exhibits "21" to "29", inclusive of sub-markings.

<sup>26</sup> Exhibit "34".

<sup>27</sup> Exhibit "35".

<sup>28</sup> Exhibit "36".

<sup>29</sup> Exhibits "37" and "38".

<sup>30</sup> Exhibits "39".

<sup>31</sup> Exhibit "40".

<sup>32</sup> Exhibits "41", "42" and "43".

<sup>33</sup> Exhibits "44" and "45".

<sup>34</sup> Exhibit "46".

<sup>35</sup> Exhibit "47".

<sup>36</sup> Exhibit "48".

<sup>37</sup> Exhibit "49".

<sup>38</sup> Exhibit "50".

The Director held that the Appellee's goods are non-competing and entirely unrelated to the Appellant's so that there is no likelihood of confusion or deception on the part of the purchasing public as to the origin or source of the Appellee's goods. The Director ruled that there is no connection between the Appellee's goods and those of the Appellant's and the Appellant's interests and goodwill are not likely to be damaged by the Appellee's use of the mark KOLIN.

Dissatisfied, the Appellant filed on 10 April 2007 an "APPEAL MEMORANDUM". In its appeal, the Appellant reiterates its arguments in the Bureau of Legal Affairs that its goods under Class 9 are similar or closely related to goods under Class 11 and that the Appellee's use of the identical mark KOLIN is likely to deceive or cause confusion and mislead the public particularly as to the nature, quality, characteristic or geographical origin of the goods or services. The registration of the mark KOLIN in the name of the Appellee, according to the Appellant, infringes upon its property rights as the registered owner of this mark. The Appellant maintains that the registration of KOLIN in the name of the Appellee is deemed unlawful under the IP Code as it infringes upon the property rights of the Appellant as the owner of the trade name KOLIN.

The Appellee filed on 17 May 2007 its comment on the appeal. The Appellee contends that its goods are not the same and not closely related to the Appellant's goods. The Appellee claims that the registration of the mark KOLIN in its favor for goods under Class 11 does not infringe the Appellant's rights for goods under Class 9. The Appellee maintains that its goods are not in the natural and potential and logical zone of the Appellant's goods or business and that the Appellant's mark or name KOLIN is not well-known.

The main issue in this appeal is whether the Director was correct in denying the opposition to the registration of the Appellee's mark.

In resolving this issue, it is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>39</sup>

The Appellant has been issued a certificate of registration for KOLIN for the following goods, namely: automatic voltage regulator, converter, charger, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC.<sup>40</sup> On the other hand, the Appellee's goods include the following: aircons, refrigerators, electric fans, window type air-conditioners, package type air-

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<sup>39</sup> Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999, citing Etepha vs. Director of Patents, 16 SCRA 495 (1966), Gabriel V. Perez, 55 SCRA 406 (1974).

<sup>40</sup> Cert. of Reg. No. 41993087497 registered on 23 November 2003.

conditioners, ceiling mounted air-conditioners, split type air-conditioners, dehumidifier, washing machines show case refrigerators, chest type freezers, upright freezers, beverage coolers, water chillers, household electric fans, industrial electric fans, rice cooker, stew cooker, microwave ovens, gas stoves, gas range, dish dryer, oven toaster, dish washing machine, bottle sterilizer, electric air pot, water heater, grillers and roasters, coffee and tea makers, turbo boiler, juicemaker, and other similar electrical appliances.

In this regard, the Appellant's and Appellee's goods are considered different. Nonetheless, the registration of KOLIN in favor of the Appellee will still cause a likelihood of confusion.

On 30 April 2013, the Court of Appeals, in another related case between the Appellant and the Appellee, held that:

“Confusion of business is not limited to competing goods as espoused by Taiwan Kolin in its arguments. In *Mighty Corporation v. E. & J. Gallo Winery*, the Supreme Court held that “non-competing goods may be those which, though they are not in actual competition, are so related to each other that it can reasonably be assumed that they originate from one manufacturer, in which case, confusion of business can arise out of the use of similar marks.” The Supreme Court also enumerated factors in determining whether goods are related, to wit: (1) classification of the goods; (2) nature of the goods; (3) descriptive properties, physical attributes or essential characteristics of the goods, with reference to their form, composition, texture or quality; and (4) style of distribution and marketing of the goods, including how the goods are displayed and sold.

Significantly, Kolin Electronics's goods (automatic voltage regulator; converter; recharger; stereo booster; AC-DC regulated power supply; step-down transformer; and PA amplified AC-DC) and Taiwan Kolin's television sets and DVD players are both classified under class 9 of the NICE Agreement. At first glance, it is also evident that all these goods are generally describe as electrical devices. As aptly put by the BLA-IPO in its August 16, 2007 Decision, the goods of both Kolin Electronics and Taiwan Kolin will inevitably be introduced to the public as “KOLIN” products and will be offered for sale in the same channels of trade. Contrary to Taiwan Kolin's claim, power supply as well as audio and stereo equipment like booster and amplifier are not only sold in hardware and electrical shops. These products are commonly found in appliance stores alongside television sets and DVD players. With the present trend in today's entertainment of having a home theater system it is not unlikely to see a stereo booster, amplifier and automatic voltage regulator displayed together with the television sets and DVD players. With the intertwined use of these products bearing the identical “KOLIN” mark, the ordinary intelligent consumer would likely assume that they are produced by the same manufacturer.

In sum, the intertwined use, the same classification of the products as class 9 under the NICE Agreement, and the fact that they generally flow through the same channel of trade clearly establish that Taiwan Kolin's television sets and DVD players are closely related to Kolin Electronic goods. As correctly pointed out by the BLA-IPO, allowing Taiwan Kolin's registration would only confuse consumers as to the origin of the products they intend to purchase. Accordingly, protection

should be afforded to Kolin Electronics, as the registered owner of the "KOLIN" trademark."<sup>41</sup>

Wherefore, premises considered, the appeal is hereby GRANTED.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

**SEP 12 2013** Taguig City

  
RICARDO R. BLANCAFLOR  
Director General

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<sup>41</sup> Kolin Electronics Co., Inc. v. Taiwan Kolin Corp., Ltd., C. A. G. R. SP No. 122565, 30 April 2013.