



OFFICE OF THE DIRECTOR GENERAL

KOLIN PHILIPPINES  
INTERNATIONAL, INC.,  
Respondent-Appellant,

-versus-

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

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Appeal No. 14-09-64

IPC No. 14-2007-00167

Opposition to:

Application No. 4-2006-010021

Date Filed: 11 September 2006

Trademark: KOLIN

DECISION

KOLIN PHILIPPINES INTERNATIONAL, INC. ("Appellant") appeals Decision No. 2009-109 dated 09 September 2009 of the Director of the Bureau of Legal Affairs ("Director") sustaining the opposition of KOLIN ELECTRONICS CO., INC. ("Appellee") to the Appellant's application for the registration of the mark "KOLIN" for television and DVD players.

Records show that the Appellant filed on 11 September 2006 the trademark application which was published in the Intellectual Property Office Electronics Gazette for Trademarks on 09 February 2007. On 12 June 2007, the Appellee filed a "VERIFIED NOTICE OF OPPOSITION" alleging that it will be damaged by the registration of KOLIN which is confusingly similar to its own mark. The Appellee claimed that it has used KOLIN as early as 17 February 1989 during the effectivity of Rep. Act No. 166, as amended ("RA 166") where use was the basis of ownership of trademarks.

The Appellee argued that:

1. The issue of its prior use and adoption of KOLIN has been finally settled in Inter Partes Case No. 14-1998-00050 where a judgment was made by the Bureau of Legal Affairs ("BLA"), the Office of the Director General and the Court of Appeals that it is the true owner, prior adopter and user of KOLIN;
2. Taiwan Kolin Co., Ltd. ("Taiwan Kolin") which is the majority stockholder of the Appellant and which directly participates in the management, supervision or control of the Appellant is a party to that case and, hence, the Appellant is bound by the decision in that case;



3. It is the registered owner of KOLIN and has the exclusive right to use it in connection with the goods specified in its certificate of registration and those which are related thereto, especially those belonging to the same class;
4. The registration of KOLIN in the name of the Appellant will result in utter violation of Sec. 138 and 147.1 of the Intellectual Property Code of the Philippines ("IP Code") because it has the exclusive right to prevent all third parties not having its consent from using in the course of trade identical or similar signs or containers for goods or services which are identified or similar to those in respect of which the trademark is registered, where such use would result in a likelihood of confusion;
5. Sec. 123.1 (d) of the IP Code explicitly proscribe the registration of a mark if it is identical with a registered mark belonging to a different proprietor in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion;
6. The Appellant's mark is identical with its registered mark and the likelihood of confusion is inevitable considering that the Appellant's trademark application covers televisions and DVD players under class 9 which are closely related to its goods which are also in class 9 and that televisions and DVD players are offered for sale in the same channels of trade where the Appellee also distributes its own products, i.e., appliance centers or electrical stores;
7. As a result of the Appellant's use of KOLIN, some of the Appellant's customers are under the impression that the Appellant and the Appellee are one and the same company; it has received product inquiries, requests for service or maintenance of appliances, and complaints regarding goods belonging to, or originating from, the Appellant and that it has received various e-mails requesting for information, service, or complaints about the goods of the Appellant such as televisions, air condition units and DVD players, which were being confused by the Appellant's customers as the Appellee's goods; and
8. The Appellant's trademark application was filed in utter bad faith considering that the Appellant was fully aware of the Appellee's ownership over KOLIN.

The Appellee submitted the following evidence to support its opposition:

1. Appellee's Articles of Incorporation;<sup>1</sup>

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

2. Print-out in the e-Gazette of the Appellant's trademark application;<sup>2</sup>
3. Decision No. 2002-46, dated 27 December 2002;<sup>3</sup>
4. Decision, dated 06 November 2003;<sup>4</sup>
5. Resolution No. 2004-07, dated 01 July 2004;<sup>5</sup>
6. Order No. 2004-397, dated 21 July 2004;<sup>6</sup>
7. Cert. of Reg. No. 4-1993-087497 for KOLIN;<sup>7</sup>
8. Decision, promulgated 31 July 2006;<sup>8</sup>
9. Appellant's Articles of Incorporation and General Information Sheet;<sup>9</sup>
10. Reply to [Comments to the Petition for Review], dated 22 December 2003;<sup>10</sup>
11. Transcript of Stenographic Notes, 07 July 1999;<sup>11</sup>
12. Counter-Manifestation, dated 08 May 2007;<sup>12</sup>
13. Answer, dated 14 August 2006;<sup>13</sup>
14. Position Paper, dated 17 March 2006;<sup>14</sup>
15. Position Paper, dated 16 March 2007;<sup>15</sup>
16. Printouts of e-mails received by the Appellee;<sup>16</sup> and
17. Secretary's Certificate, executed on 08 June 2007.<sup>17</sup>

The Appellant filed on 26 October 2007 an "ANSWER" alleging that:

1. Its trademark application cannot be denied on the sole basis of the final judgment rendered in Inter Partes Case No. 14-1998-00050 involving the Appellee and Taiwan Kolin; the basis of the decision rendered by the Court of Appeals, the Appellee's ownership and right over KOLIN has been specifically clarified to be limited only in connection with the goods and those that are related thereto as specified in the Appellee's certificate of registration;
2. The Appellee's certificate of registration or prior adoption and use of KOLIN in the Philippines relates to automatic voltage regulator, converter, recharger, stereo booster, ac-dc regulated power supply, step-down transformer and PA amplified AC-DC and does not

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

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

<sup>4</sup> Exhibit "D".

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

<sup>6</sup> Exhibit "F".

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

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

<sup>9</sup> Exhibits "I" and "J".

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

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

<sup>12</sup> Exhibits "M", "M-1" and "M-2".

<sup>13</sup> Exhibits "N", "N-1" and "N-2".

<sup>14</sup> Exhibits "O", "O-1" and "O-2".

<sup>15</sup> Exhibit "P".

<sup>16</sup> Exhibits "Q" to "Q-21".

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

include televisions and DVD players which are home appliances catering to the entertainment of household and are not identical, similar or related to any of the Appellee's goods even if falling under the same Class 9;

3. It has been decided by the Supreme Court that relatedness of goods shall also be measured against their descriptive properties, physical attributes, essential characteristics with reference to form, composition, texture or quality, or purpose, or when they are sold at grocery stores, and not only upon their classification and that one who has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others for products which are of a different description or kind;
4. The Appellee has not adopted and used KOLIN on televisions and DVD players and has not engaged, ventured or embarked in the manufacture, sale and/or distribution of TVs and DVD players from the time of its alleged adoption and use of KOLIN up to the present;
5. The bare allegations that the Appellant's use of KOLIN on televisions and DVD players has resulted and continues to result in irreparable damage and injury to the Appellee is bereft of merit by the fact that the Appellee's business or trade does not deal with televisions and DVD players; it has acquired or obtained a property right, goodwill and reputation over the televisions and DVD players bearing the mark KOLIN as a result of the continued use, promotions, advertisements, sales and development of the product which are identified in the mind of the public or consumer to be those of the Appellant which should be protected and maintained and that it had sold 25,567 units of televisions in 2006 alone;
6. The Appellee's KOLIN has neither been qualified nor previously decreed to be a well-known mark and cannot bar the grant of the Appellant's trademark application for televisions and DVD players which are not identical or similar or related to any of the Appellee's goods;
7. The Appellee's goods are non-competing with the Appellant's televisions and DVD players since the Appellee's goods serve distinct functions or uses or purposes from the Appellant's goods and that it has been decided by the Supreme Court that confusion of business could not arise from the use of the same trademark by others, much less cause damage, when the business of the parties are non-competitive and their products so unrelated;
8. There is no likelihood of confusion on the part of the public or consumer as to the origin or source of the Appellant's televisions

and DVD players because these goods and the Appellee's goods do not flow or end up at the same channels of trade or channels of distribution; the Appellant's televisions and DVD players are sold and/or distributed through listed dealers or outlets which are appliance stores or centers, and not in the audio, electronic or electrical shops, or hard wares where the Appellee's goods are being sold; and

9. Confusion is unlikely when the goods involved are not inexpensive items, like televisions and DVD players and that a casual buyer is predisposed to be more cautious and discriminating over the purchase of expensive or costly items.

The Appellant submitted the following evidence to support its position:

1. Dealer Sales Report for 2006;<sup>18</sup>
2. Print advertisements for Appellant's products;<sup>19</sup>
3. Printout from the website of the Department of Trade and Industry;<sup>20</sup>
4. Printout from the website of the Municipality of Dasmariñas, Cavite;<sup>21</sup>
5. Printout from the website of Sun Star Cebu;<sup>22</sup>
6. GlobalBrands Certificate of Quality & Excellence (2006);<sup>23</sup>
7. Dealer/Customer Directory as of January 2006;<sup>24</sup>
8. Printout of the Appellant's website and/or addresses;<sup>25</sup> and
9. Secretary's Certificate executed on 25 October 2007.<sup>26</sup>

After the appropriate proceedings, the Director sustained the opposition and held that the marks of the Appellant and the Appellee are identical and the goods covered by these marks are related. According to the Director, a certificate of registration for KOLIN was issued in favor of the Appellee which created a presumption of ownership in favor of the registrant. The Director ruled that the Appellant failed to destroy the *prima facie* case established by the certificate of registration in favor of the Appellee.

On 09 November 2009, the Appellant filed an "APPEAL MEMORANDUM" reiterating its contention that the decision of the Court of Appeals decreed that the Appellee's right to KOLIN shall be limited in connection with the goods or services and those that are related thereto as specified in the certificate of registration. The

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<sup>18</sup> Exhibit "1", inclusive of sub-markings.

<sup>19</sup> Exhibits "2" to "17", inclusive of sub-markings.

<sup>20</sup> Exhibit "18".

<sup>21</sup> Exhibit "19".

<sup>22</sup> Exhibit "20".

<sup>23</sup> Exhibit "21".

<sup>24</sup> Exhibit "22", inclusive of sub-markings.

<sup>25</sup> Exhibit "23" and "23-a".

<sup>26</sup> Exhibit "24".

Appellant claims that televisions and DVD players are not related to the Appellee's goods and that the Appellee's mark is not well-known to claim exclusive use over dissimilar or unrelated goods. The Appellant asserts that there is no public consumer confusion from the Appellant's "KOLIN-Television" and "KOLIN-DVD Players" vis-à-vis the Appellee's goods. The Appellant maintains that it has a separate and distinct personality and its affiliation alone with Taiwan Kolin cannot justify the piercing of its corporate veil.

On 04 January 2010, the Appellee filed a "COMMENT On Applicant-Appellant's 'Appeal Memorandum' dated 03 November 2009" claiming that the Appellant is bound by the final judgment adjudging the Appellee as the true adopter and prior user of KOLIN. The Appellee avers that Taiwan Kolin's management and control over the Appellant show that the Appellant is an alter ego of Taiwan Kolin. The Appellee maintains that the Appellant has admitted that the Appellee's protection over KOLIN extends to all goods under class 9 and the Appellant is, thus, estopped from claiming otherwise. The Appellee reiterates its arguments that as the registered owner of KOLIN, it has the exclusive right to use it with the goods specified in the certificate of registration and those which are related thereto and that the registration of KOLIN in class 9 in the name of the Appellant is causing and will continue to cause confusion. According to the Appellee, the Appellant is not an applicant in good faith.

The issue in this appeal is whether the Director was correct in sustaining the Appellee's opposition to the registration of KOLIN in favor of the Appellant. Moreover, the relevant question in this case is whether the Appellant's television sets and DVD players are related to the Appellee's goods.

On 30 April 2013, the Court of Appeals in a related case between Taiwan Kolin and the Appellee held that Taiwan Kolin's television sets and DVD players are closely related to the goods of the Appellee. As stated by the Court of Appeals:

"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."<sup>27</sup>


In this regard, with the decision of the Court of Appeals that Taiwan Kolin's television sets and DVD players are related to the Appellee's goods covered by the latter's certificate of registration for KOLIN, this Office rules in favor of the Appellee.

Wherefore, premises considered, the appeal is hereby dismissed.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the 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>27</sup> Kolin Electronics Co., Inc. v. Taiwan Kolin Corp., Ltd., C. A. G. R. SP No. 122565, 30 April 2013.