



OFFICE OF THE DIRECTOR GENERAL

NICHIAS CORPORATION,
Respondent-Appellant,

-versus-

HOPEWELL PLASTIC LAMINATES
LIMITED,

Opposer-Appellee.

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Appeal No. 14-09-66

Inter Partes Case No. 14-2002-00041

Opposition to:

Application No. 4-1998-009320

Date Filed: 23 December 1998

Trademark: OMEGA

DECISION

Nichias Corporation (“Appellant”) appeals the decision¹ issued by the Director of the Bureau of Legal Affairs (“Director”) sustaining the opposition of Hopewell Plastic Laminates Limited (“Appellee”) to the Appellant’s application to register the mark “OMEGA”.

Records show that the Appellant filed on 23 December 1998 the Trademark Application No. 4-1998-009320 for floor boards, concrete building elements, floor tiles not of metal, slabs not of metal, surfacing not of metal, for buildings, concrete flooring blocks, concrete panels, non-metallic floor coverings for finishing semi-finished floors, non-metallic fascias, ramps being structures of non-metallic materials falling under Class 19 of the Nice Classification.² The application was published in the Intellectual Property Office Official Gazette³ which was released for circulation to the public on 03 June 2002.

On 27 September 2002, the Appellee filed a “VERIFIED NOTICE OF OPPOSITION” alleging the following:

1. It shall be damaged by the registration of OMEGA in the name of the Appellant;
2. It is the true owner of OMEGA; it can trace its ownership and right to use this mark as early as 1974, or for over 28 years;

¹ Decision No. 2009-123 dated 28 September 2009.

² 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.

³ Page 56, Volume V, No. 1.

3. It and the mark OMEGA are internationally well-known by reason of the long use, and the worldwide applications and registrations of this mark;
4. Its applications for OMEGA were filed earlier than the Appellant's trademark application;
5. The mark sought to be registered by the Appellant is identical with its mark; the similarity in their marks is likely to deceive the purchasers of goods to an extent that the Appellant's goods might be mistaken by the unwary public to be manufactured by it and mislead the public as to the nature, quality, characteristic and origin of the goods on which the mark is affixed, especially, since the Appellant has been using the mark on related goods;
6. The Appellant's use and application for the registration of OMEGA is tantamount to fraud, will violate its proprietary rights/interests, business reputation and goodwill, and will dilute the distinctiveness of its mark, thereby causing irreparable injury; and
7. The registration of OMEGA will not only prejudice it, but will also cause the Appellant to unfairly benefit from, and get a free ride on the goodwill of its trademark and business reputation.

The Appellee submitted the following evidence to support its opposition:

1. Affidavits of Lam Ying Wai Patrick dated 02 September 2003 and 31 October 2003;⁴
2. Certificate of Incorporation of the Appellee;⁵
3. Companies Registry Annual Return Form of the Appellee;⁶
4. Deed of Assignment dated 20 November 2001 executed by Sai-Yuen Lam in favor of the Appellee;⁷
5. Certificate of Registration No. 1131 (Hong Kong) for OMEGA issued in favor of Sheng Kee Enterprises Co. Ltd on 25 June 1981;⁸
6. Renewal of Certificate of Registration No. 1131 (Hong Kong) dated 05 October 2001;⁹
7. Copies of brochures, magazines, and catalogues for the Appellee's products;¹⁰

⁴ Exhibits "A" to "A-7", and Exhibits "DD", inclusive of sub-markings.

⁵ Exhibit "B".

⁶ Exhibits "C" to "C-5", "F" to "F-5", and "G" to "G-6".

⁷ Exhibits "D" to "D-6".

⁸ Exhibits "E" and "E-1".

⁹ Exhibit "E-2".

¹⁰ Exhibits "H" to "H-55".

8. Invoices, bill of lading, packing list, shipping orders, purchase orders, certificates and letters;¹¹
9. Certification from Consul Ma. Theresa B. Dizon-De Vega, dated September 2003;¹²
10. Letter dated 11 June 1994 from Norman Chow of Hopewell Trading Company to Joseph Ang of Multi Rich Home Decors, Inc.;¹³
11. Letter dated 10 June 1994 from Joseph Ang of Multi Rich Home Decors, Inc. to the Appellee;¹⁴
12. Photographs of the Appellee's participation in exhibits in the Philippines;¹⁵
13. Print-out from the Appellee's website;¹⁶
14. Trademark Application No. 4-2001-0004482 (with related documents, drawings and facsimiles);¹⁷
15. Copies of certificates of registration for OMEGA (foreign);¹⁸
16. Letters regarding the infringement of OMEGA;¹⁹
17. Deed of Assignment dated 16 November 1981 executed by Sheng Kee Enterprises Co. Ltd. in favor of Omega Laminates Limited;²⁰
18. Deed of Assignment dated 02 September 1985 executed by Omega Laminates Limited in favor of Lam Sai-Yuen trading as Hopewell Trading Company;²¹
19. Translation of Certificates of Registration (foreign)²²
20. Affidavit of Victor Sy dated 19 August 2003;²³ and
21. Articles of Incorporation and General Information Sheet of Multi Rich Home Decors;²⁴

The Appellant filed an "ANSWER" and "AMENDED ANSWER" on 25 November 2002 and 27 November 2002, respectively, alleging that:

1. The opposition is defective in form and substance in that the Appellee did not attach copies of certificates of registration or the supporting documents relevant to its claims and allegations contrary to Sec. 134 of the Intellectual Property Code of the Philippines ("IP Code");

¹¹ Exhibits "H-56" to "H-103", "I-3" to "I-35", "CC", "CC-1" to "CC-32".

¹² Exhibit "T".

¹³ Exhibit "I-1".

¹⁴ Exhibit "I-2".

¹⁵ Exhibits "J" to "J-4".

¹⁶ Exhibit "K".

¹⁷ Exhibits "L" to "O", inclusive of sub-markings.

¹⁸ Exhibits "P" to "S", inclusive of sub-markings.

¹⁹ Exhibits "T", "T-1" to "T-24".

²⁰ Exhibits "U" to "U-3".

²¹ Exhibits "V" to "V-3".

²² Exhibits "W" to "W-7".

²³ Exhibits "X", "X-1" and "X-1-A".

²⁴ Exhibits "Y", "Y-1" to "Y-11", "Z-1" to "Z-4", "AA" to "AA-3" and "BB" to "BB-3".

2. Sec. 122 of the IP Code provides that the rights in marks shall be acquired through registration made validly in accordance with the provisions of the IP Code; the Appellee has no registration for the mark OMEGA in the Philippines and the Appellee's application for OMEGA was filed only on 25 June 2001, two (2) years and six (6) months after the Appellant filed its trademark application;
3. The Appellee does not qualify as an owner of a well-known mark; a well-known mark must be well-known both internationally and in the Philippines and that knowledge in the Philippines may be obtained as a result of the promotion of the mark; the Appellee made no specific allegation that it has used or advertised or that it is using or advertising OMEGA in the Philippines; there is no specific allegation that OMEGA is well-known in the Philippines on account of the advertising efforts made by the Appellee;
4. The Appellee admits that not all the applications filed in other countries have matured to registrations; mere applications generally do not give rise to legal rights whether in the Philippines or in the foreign countries; even assuming that registrations have already issued in the foreign countries, not all of them are issued in the name of the Appellee; absent the valid execution and recordal of an appropriate document of assignment or license by the registrant in favor of the Appellee, the Appellee cannot validly derive the legal rights/interests arising from such registrations;
5. The Appellee miserably failed to allege in its opposition the facts that will support its claim for protection under the criteria for a well-known mark prescribed by the Trademark Regulations;
6. Its right to the use and registration of OMEGA in the Philippines precedes that of the Appellee; being the first user in good faith of OMEGA in the Philippines and being the first to apply for the same in the Philippines, its right is superior to the right claimed by the Appellee; it has already filed a notarized Declaration of Actual Use for the goods covered by its trademark application;
7. Being the prior user and the first applicant of the mark OMEGA in the Philippines, it, and not the Appellee, has established a goodwill for this mark in the Philippines and it stands to be damaged and prejudiced if its trademark application is disallowed;
8. Having established the requisite goodwill in the consciousness of the consumers, it has been recognized as the legitimate source and origin of the OMEGA products; the public stands to be misled, deceived and confused if this opposition is given due course and the

Appellee is given the right to use and register OMEGA in the Philippines at the expense of the Appellant; and

9. It is the rightful owner of OMEGA and its ownership of this mark arose from its adoption, use, registration, and promotion of the mark not only in the Philippines but also in other foreign countries.

The Appellant's evidence consists of the following:

1. Affidavit-Testimony of Osamu Ohshima executed on 27 September 2006;²⁵
2. Copies of certificates of registration for OMEGA (foreign);²⁶
3. Advertisements and catalogue for OMEGA;²⁷
4. Directory of Certified Products published by the Singapore Productivity and Standards Board;²⁸
5. OMEGA Floor Job references for Singapore, Indonesia and Philippines;²⁹
6. Affidavit-Testimony of Tomas Kawpeng dated 17 October 2007;³⁰
7. Articles of Incorporation and General Information Sheet of Kent International Trading Co., Inc.;³¹
8. Exclusive Distributorship Certificate, dated 07 February 2005;³²
9. Receipts, invoices and bills of lading;³³
10. List of customers of who purchased OMEGA;³⁴
11. Supplemental Affidavit of Osamu Ohshima executed in October 2007;³⁵
12. Appellant's trademark application for OMEGA in Japan;³⁶
13. Judgment No. 94-3116 issued on 30 October 2006 by the Taipei High Administrative Court;³⁷
14. Declaration of Osamu Ohshima, dated 17 January 2008;³⁸ and
15. List of construction worksites in Japan which used OMEGA.³⁹

After the appropriate proceedings, the Director sustained the opposition and held that the Appellee is the owner and first user of OMEGA in the Philippines for

²⁵ Exhibit "1", inclusive of sub-markings.

²⁶ Exhibits "2" to "6", inclusive of sub-markings.

²⁷ Exhibits "7", "10", "11", "13", "14", "30" and "37", inclusive of sub-markings.

²⁸ Exhibits "8" and "9"

²⁹ Exhibits "12", "12-a", "15" and "16".

³⁰ Exhibit "17", inclusive of sub-markings.

³¹ Exhibits "18" and "19", inclusive of sub-markings.

³² Exhibit "20".

³³ Exhibits "21" to "29", and "36", inclusive of sub-markings.

³⁴ Exhibit "31", inclusive of sub-markings.

³⁵ Exhibit "32", inclusive of sub-markings.

³⁶ Exhibit "33", inclusive of sub-markings.

³⁷ Exhibit "34", inclusive of sub-markings.

³⁸ Exhibit "35", inclusive of sub-markings.

³⁹ Exhibits "36-aaaaaaa" and "36-bbbbbbbb".

goods under Class 19. The Director held that even if the Appellant was the first to file an application for OMEGA in the Philippines, it is not entitled to the registration because it is not the owner of the mark.

On 01 December 2009 the Appellant filed an "APPEAL" contending that it has the better right to OMEGA being the first to file the trademark application for this mark. The Appellant maintains that the decision of the Director should be reversed because it disobeyed the direct command of the lawmakers to abandon actual use as basis of ownership of a mark, and to require the filing of an application for trademark registration as the mode of acquiring ownership of a mark. The Appellant asserts that even assuming that the Appellee has a prior actual use of the mark, it must still give way to the "first-to-file" right of the Appellant. The Appellant claims that the IP Code is clear and categorical that ownership will now be based on registration, not on use abroad or in the Philippines. The Appellant avers that it never acknowledged Appellee as the owner of OMEGA because it is the owner of and has a registration of this mark in Japan. According to the Appellant, what it acknowledged is that the Appellee is the proprietor of the mark, but only in Hong Kong, and only for the purpose of setting the tone for amicable settlement for the use of OMEGA.

The Appellee filed on 11 January 2010 its "COMMENT [To the Appeal dated 27 November 2009]" claiming that the mere filing of an application is not a mode of acquiring ownership over a mark and the "first-to-file rule" cannot justify the approval of a trademark application simply because it is the first application to be filed. The Appellee maintains that it is the true owner of OMEGA as a logical consequence of its prior use of the mark both locally and internationally and its earlier registration of the mark internationally. The Appellee argues that the Appellant negotiated with it for a license to use OMEGA in Hong Kong, thus, acknowledging the Appellee's ownership of the mark. According to the Appellee, the fact that the Appellant obtained certificates of registration for OMEGA only after being denied the license to use the mark and only after acknowledging the Appellee's ownership of the mark, casts serious doubt on the validity of the Appellant's registrations.

In this case, the parties are not disputing that their respective marks are identical and are used on similar or related goods. It is also not disputed that the Appellant was the first to file an application to register OMEGA. The Appellee, however, claims that while the Appellant was the first to file the trademark application for OMEGA, it is the prior user and true owner of this mark.

The issue in this case is, therefore, whether the Director was correct in sustaining the Appellee's opposition to the registration of OMEGA in favor of the Appellant.

In this regard, Sec. 122 of the IP Code provides that:

SEC. 122. How Marks are Acquired.- The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law.

The rights to a mark can, therefore, be acquired through registration made validly in accordance with the provisions of the IP Code. Significantly, the Appellant or the Appellee can acquire the rights to a mark after complying with the requirements of the IP Code in registering a mark.

In this instance, the Appellant is the first to file an application to register OMEGA for goods falling under Class 19 of the Nice Classification. The records also show that the Appellant's trademark application was published for opposition which means that the application meets the filing requirements and that OMEGA can be registered in favor of the Appellant. Sections 133, 133.1 and 133.2 of the IP Code provide that:

SEC. 133. Examination and Publication.- 133.1. Once the application meets the filing requirements of Section 127, the Office shall examine whether the application meets the requirements of Section 124 and the mark as defined in Section 121 is registrable under Section 123.

133.2. Where the Office finds that the conditions referred to in Subsection 133.1 are fulfilled, it shall, upon payment of the prescribed fee, forthwith cause the application, as filed, to be published in the prescribed manner.

Accordingly, this Office is constrained to favor the Appellant and give due course to its trademark application. As correctly pointed out by the Appellant:

56. The sponsorship speech of Sen. Roco on Senate Bill No. 1719, cannot be made any more clearer that the law no longer requires prior use of the mark as a requirement for filing a trademark application and that it also abandons the rule that ownership of a mark is acquired through use by now requiring registration of the mark in the Intellectual Property Office. Thus:

x x x

To comply with TRIPS and other international commitments, this bill no longer requires prior use of the mark as a requirement for filing a trademark application. It also abandons the rule that ownership of a mark is acquired through use by now requiring registration of the mark in the Intellectual Property Office. Unlike the present law, it establishes one procedure for the registration of marks. This feature will facilitate the registration of marks.⁴⁰

The failure of the Appellee to apply first for the registration of OMEGA here in the Philippines indirectly favors the Appellant who first filed the application to register this mark. It must be emphasized that this case is about the Appellant seeking the registration of OMEGA in its favor. The Appellant has complied with the requirements for registering a mark which prompted the Bureau of Trademarks to recommend the publication and registration of the mark in favor of the Appellant.

⁴⁰ See APPEAL, dated 27 November 2009, paragraph 56.

To prevent the registration of OMEGA, the Appellee has to convince this Office that the Appellant is not entitled to the registration of this mark and that it will be damaged by the registration thereof. The Appellee, however, was not able to satisfy this Office that the Appellant failed to comply with the requirements for registering a mark.

The Appellant has secured certificates of registration for OMEGA in other countries, including in its home country in Japan.⁴¹ These certificates of registration indicate the Appellant's use of OMEGA in good faith and that it did not copy the Appellee's mark. While the Appellant sought the consent of the Appellee for a license to use OMEGA in Hong Kong, this is not an evidence of bad faith but even supports the good faith of the Appellant in using this mark. The Appellant knew that the Appellee secured a registration of OMEGA in Hong Kong, and thus, recognizes the right of the Appellee for the exclusive right to use this mark in Hong Kong, notwithstanding that it has certificates of registration for OMEGA in its home country, Japan, and in other countries.

Moreover, the Appellee failed to prove the damages which it claims it may suffer if OMEGA is registered in favor of the Appellant. While the Appellee adduced pieces of evidence showing the importation of OMEGA products by Multi-Rich Decors Incorporated here in the Philippines, there is nothing in the record which indicates the actual use in the market of the Appellee's products. The Appellee could have easily adduced evidence of sales receipts or invoices indicating the use of OMEGA in the market. On the other hand, the Appellant has proven by substantial evidence the use in the market of its OMEGA products.⁴² The Appellant also cited the Appellee's admission that it is not doing business in the Philippines⁴³ which the Appellee did not even bother to explain.

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.⁴⁴

In this regard, the pieces of evidence submitted by the parties support the registration of OMEGA in favor of the Appellant which has identified to the public its floor board materials. That the Appellant is using a similar mark as that of the Appellee is not conclusive that the Appellant copied OMEGA. In addition, the Director has even ruled that the Appellee's mark OMEGA is not well-known and that

⁴¹ See Exhibits "2" to "6".

⁴² See Exhibits "17", and "21" to "29", inclusive of annexes and sub markings.

⁴³ MEMORANDUM dated 03 February 2010, paragraph 39 (g). The Appellee also admitted in its opposition that it is not doing business in the Philippines.

⁴⁴ *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 114508, 19 November 1999.

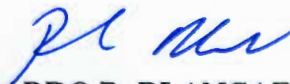
the Appellee's market share in the Philippines is limited. This ruling by the Director was not appealed by the Appellee and is, therefore, binding on the parties. If ever there would be "damages" on the Appellee, it is a consequence not of the registration of OMEGA in favor of the Appellant but as a result of the Appellee's business decision not to first register this mark in the Philippines. There is, therefore, no legal impediment for the Appellant to register OMEGA.

Wherefore, premises considered, the appeal is hereby GRANTED. The Appellant's Trademark Application No. 4-1998-009320 for floor boards, concrete building elements, floor tiles not of metal, slabs not of metal, surfacing not of metal, for buildings, concrete flooring blocks, concrete panels, non-metallic floor coverings for finishing semi-finished floors, non-metallic fascias, ramps being structures of non-metallic materials is GIVEN DUE COURSE.

Let a copy of this Decision as well as the 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.

AUG 13 2012 , Taguig City.


RICARDO R. BLANCAFLOR
Director General