



LF, LLC,	}	IPC No. 14-2012-00351
Opposer,	}	Opposition to:
	}	App. Serial No. 4-2012-501016
-versus-	}	Date filed: 24 April 2012
	}	
	}	
GEORGE T. ONG	}	Trademark: "KOBALT"
Respondent-Applicant.	}	
X-----X		

NOTICE OF DECISION

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GEORGE T. ONG

Respondent-Applicant
15 Latukan Street
Quezon City

GREETINGS:

Please be informed that Decision No. 2013 – 124 dated July 11, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 11 July 2013.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III, Bureau of Legal Affairs



LF, LLC,

Opposer,

- versus -

George T. Ong,

Respondent-Applicant.

IPC NO. 14 - 2012-00351

Case Filed on: 01 October 2012

Opposition to:

Appln Serial No. 42012501016

Date filed: 24 April 2012

TM: "KOBALT"

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DECISION NO. 2013 - 124

DECISION

LF, LLC (Opposer)¹ filed an opposition to Trademark Application No. 42012501016. The application filed by George T. Ong (Respondent-Applicant)², covers the mark "KOBALT", for use on "*Drill bit, Diamond Cutting Disc, Grinding Disc Cutting Disc*" covered under the Class 8 of the International Classification of Goods.³ The Opposer's pertinent allegations are quoted as follows:

- "1. Opposer is the originator and first user of the well-known trademark KOBALT for a wide variety of tools in Class 8 identified by its said mark.
- "2. Opposer has adopted and has been commercially using and promoting the trademark KOBALT for its product around the world since at least as early as September, 1998, long before Applicant's unauthorized appropriation of the identical designation KOBALT for use on drill bits, diamond cutting discs, grinding discs and cutting disc also falling under Class 8. Opposer's advertising and promotional efforts for its goods bearing its said trademark around the world have resulted in substantial sales and goodwill over the years.
- "3. Opposer's advertising and promotion of the mark KOBALT has reached the Philippines and has resulted in its products identified by the mark to become widely known and accepted by the relevant sector of the public.
- "4. Opposer is the prior registered owner of the trademark KOBALT which it has registered and/or applied for registration, first in the United States based on use since September, 1998 under Reg.

¹ A corporation duly organized and existing under the laws of the state of Delaware, U.S.A.

² A natural person with address at 15 Latukan Street Quezon City, Philippines.

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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No. 2,695,975 which issued on March 3, 2003, and in many other countries worldwide, for a wide variety of tools in Class 8.

- "5. The Applicant's published mark is identical to the Opposer's prior mark and covers products that are identical and closely related to those covered by the Opposer's prior mark such that consumer will be indubitably confused or deceived as to the source of origin of the respective goods if the Applicant is allowed to use and register said mark.
- "6. The registration and use by Applicant of the confusingly similar designation KOBALT will damage Opposer's interests for the following reasons:

- i.) The use by Applicant of the identical designation on its goods inevitably indicates a connection with Opposer because the goods covered by Opposer's KOBALT mark, as well as other goods of the Opposer, are similar or closely related. This will tend to deceive and/or confuse purchasers into believing that Applicant's goods emanate from or are produced under license from sponsorship by Opposer.
- ii.) Applicant's unauthorized use of the designation KOBALT in respect of drill bits diamond cutting discs, grinding discs and cutting discs in Class 8 will limit the logical zone of expansion of Opposer's KOBALT brand mark for tools, and dilute the goodwill and reputation of Opposer's mark,
- iii.) Applicant has appropriated the KOBALT name for use on closely related or identical goods as a self-promoting trademark to gain public acceptability for his goods through association with Opposer's popular and famous prior trademark, which is used on similar or closely related products in Class 8, among local consumers. If allowed, Applicant use and registration will necessarily result in trading upon Opposer's goodwill.

- "7. The registration and use of a confusingly identical designation by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's famous and well-known trademark KOBALT."

To support its claim, the Opposer submitted the following pieces of evidence:

1. Affidavit of Mr. Franco Noel A. Manaig dated 28 September 2012 (Exhibit "A");
2. Certified True Copy of US Registration Certificate No. 2,695,975 (Exhibit "B");
3. List of Countries where Kobalt trademark is registered or pending registration (Exhibit "C");
4. Copies of Registration Certificate of Kobalt from different countries (Exhibit "D-1" to "D-6");
5. Internet Website Pages showing products bearing the trademark Kobalt (Exhibit "E");

6. Pictures of Opposer's NASCAR Marketing Activities of Kobalt (Exhibit "F"); and
7. Advertisement of NASCAR videogames bearing Kobalt trademark (Exhibit "G").

This Bureau issued a Notice to Answer on 22 October 2012 and served a copy thereof to the Respondent-Applicant on 6 November 2012. However, the Respondent-Applicant did not file an answer. In view thereof, an Order dated 5 March 2013 was issued declaring the Respondent-Applicant in default. Consequently, this case was submitted for Decision.

Should the Respondent-Applicant be allowed to register the trademark "Kobalt"?

In the instant case, a perusal of the contending trademarks, depicted below, will show that the marks are essentially the same:

KOBALT

Respondent – Applicant's Mark

KOBALT

Opposer's Mark

Both parties use the distinct word "Kobalt" in an identical sans serif type of font with the same distinguishing style of a hexagonal figure inside the letter "O." Also, the Respondent-Applicant's trademark application indicates goods dealt in by the Opposer bearing the mark "Kobalt" and there is definitely a very high probability that confusion on the part of the buying public will result. Thus, there is a need to determine who among the contending parties own the subject mark.

Verily, the function of 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.⁴ Moreover, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.⁵

Records show that the Opposer first used the trademark "Kobalt" as early as 1998 and in fact successfully registered the said mark under the name of Opposer, in a

⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508 19 Nov. 1999

⁵ *McDonald's Corporation v. MacJoy Fastfood Corporation* 215 SCRA 316, 320 (1992); and *Chuanchow Soy & Canning Co. v. Dir. of Patents and Villapania*, 108 Phil. 833, 836 (1960).

number of countries, earliest of which was on March 2003.⁶ Furthermore, Opposer has sufficiently shown that they have widely marketed and advertised their trademark and some of those materials reached the Philippines resulting to the creation of goodwill for the product among the relevant sector of the public within the Philippines.⁷ In contrast, respondent-applicant applied for the registration of the same identical mark only on 24 April 2012 without showing of any other registration or commercial use prior to that of the Opposer. Respondent-Applicant failed to give any evidence that will show that the applicant is the originator of the identical mark or anything that will negate the proof submitted by the Opposer.

The Supreme Court thus held that, “a trademark, being a special property, is afforded protection by law. But for one to enjoy this legal protection, ownership of the trademark should rightly be established.”⁸ Corollarily, only the true owner of a trademark should be allowed to apply for its registration.

Succinctly, it is not the application or the registration that confers ownership of a mark but it is the ownership of the mark that confers the right to registration. While the country’s legal regime on trademarks shifted to a registration system, it is not the intention of the legislators that the law be used in committing or perpetrating an unjust and unfair claim. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership.

Definitely, the field from which a person may select a trademark is practically unlimited. As in all other cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of design available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another’s mark if there was no intent to take advantage of the goodwill generated by the other mark.⁹ In this case, the Respondent-Applicant failed to prove his ownership of the same distinct mark commercially originated from the Opposer. Hence, Respondent-Applicant’s application for registration of the trademark “Kobalt” must fail.

WHEREFORE, premises considered, the instant opposition to Trademark Application Serial No. 42012501016 is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 42012501016 be returned together with a copy of this DECISION to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 11 July 2013


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs

⁶ Exhibit B to Exhibit D-6

⁷ Exhibit E to Exhibit G

⁸ *Berris Agricultural Co. Inc. vs. Norvy Abyadang G.R. 183404, 13 October 2010*

⁹ *American Wire & Cable Company vs. Dir. Of Patent , G.R. No. L-26557, February 18, 1970.*