



NIKON CORPORATION,
Opposer,

-versus-

SAN MATEO RUBBER CORPORATION,
Respondent-Applicant.

X-----X

} IPC No. 14-2010-00127
}
} Opposition to:
} Appln. Serial No. 4-2008-013957
} Filing Date: 13 November 2008
} TM: "NIKON V-TECH &
} INNOVATIVE DESIGN"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2013 - 70 dated April 16, 2013 (copy enclosed)
was promulgated in the above entitled case.

Taguig City, April 16, 2013.

For the Director:

ATTY. PAUSI U. SAPAK
Hearing Officer
Bureau of Legal Affairs



NIKON CORPORATION,
Opposer,

IPC NO. 14-2010-00127
Opposition to:

- versus -

Application No. 4-2008-013957
(Filing Date: 13 November 2008)
Trademark: "NIKON V-TECH &
INNOVATIVE DESIGN"

SAN MATEO RUBBER CORPORATION,
Respondent-Applicant.

X-----X

Decision No. 2013- 70

DECISION

NIKON CORPORATION¹ ("Opposer") opposes Trademark Application Serial No. 4-2008-013957. The application, filed by SAN MATEO RUBBER CORPORATION² ("Respondent-Applicant"), covers the mark "NIKON V-TECH & INNOVATIVE DESIGN" for use on "*men's ladies' and children footwear, i.e. sandals, slippers and shoes, t-shirts, caps, shorts, pants, jackets, headbands, and wristbands*" under Class 25 of the International Classification of Goods.³

The Opposer anchors its opposition on Sec. 123.1, paragraphs (d) and (f) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). According to the Opposer, it is the owner of the mark NIKON which it used, applied for registration and eventually registered in the Philippines, earlier than the Respondent-Applicant's use of the same mark. Also, the Opposer contends that its mark is a well-known mark.

The Respondent-Applicant filed its Answer on 13 September 2010 alleging, among other things, the following:

"4. While respondent-applicant San Mateo only applied on November 13, 2008 for the registration of the mark 'Nikon and Design', respondent-applicant San Mateo and its predecessor, Polymer Rubber Corp. (herein referred to as 'Polymer') have been using the subject mark since May 10, 1982 or for more than twenty seven (27) years.

4.1. The controlling stockholders of Polymer are Ang Shiong An and Rita Co. It was engaged in the business of processing, manufacturing, preparation, export, import, distribution of rubber products, mainly rubber footwear or sandals. A copy of Polymer's Articles of Incorporation is attached herewith as Exhibit '1' and made an integral part hereof.

4.2. Upon cessation of Polymer's operations, the same were taken over by respondent-applicant San Mateo wherein Ang Shiong An and Rita Co are also the controlling stockholders. A copy of respondent-applicant San Mateo's Articles of Incorporation are attached herewith as Exhibit '2' and made an integral part hereof.

4.3 Polymer first used the mark "Nikon" through "Nikon and Design" on May 10, 1982 or twenty seven (27) years ago. Polymer, through Ang Shiong An, filed a

1 A corporation duly organized and existing under the laws of Japan with business address at 2-3 Marunouchi 3-Chome, Chiyoda-Ku, Tokyo, Japan.

2 With address at Kambal Road, Guitnang Bayan II, San Mateo, Rizal.

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.

trademark application thereto on November 8, 1982. A copy of the Trademark Application is attached herewith as Exhibit '3' and made an integral part hereof.

4.4. On April 29, 1988, the Bureau of Patents, Trademarks and Technology Transfer issued a Certification that Nikon and Design was a duly registered mark of Polymer. A copy of the aforesaid Certification is attached herewith as Exhibit '4' and made an integral part hereof.

4.5. For more than 27 years and up to this day, Polymer and respondent-applicant San Mateo have been using the mark 'Nikon' in its products, mainly rubber sandals.

4.6. The word 'Nikon' in Chinese character is x x x. The literal translation is 'SUN LIGHT'. In fookien dialect, it is pronounced as 'Nikon'. Furthermore, the name 'Nikon' is derived from the Greek word 'Nike' which means 'Victory' (please refer to Exhibit '5'). Thus, contrary to the claim of the opposer, the word 'Nikon' is not peculiar to Nikon camera but has a general meaning in other languages.

4.7. Polymer and respondent-applicant San Mateo chose to use the word Nikon because of the foregoing meanings. The meanings of the word 'Nikon' in Chinese and Greek appealed to them considering their incorporators are of Chinese lineage and Greek sandals are quite known.

4.8. It was never the intention of Polymer or respondent-applicant San Mateo to associate their Nikon sandals with Nikon camera. Such relation is so far fetched. In fact, their customers and the public NEVER even thought of connecting Nikon sandals with Nikon Camera.

"5. The businesses of respondent-applicant San Mateo and the opposer are NOT in any manner in competition with each other. As can be seen from its primary purpose indicated in its Articles of Incorporation, respondent-applicant San Mateo is in the business of rubber products and its mark is over goods classified under Class 25, i.e. sandals or clothing, thus:

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"6. On the other hand, opposer is in the business of cameras. x x x

"7. Again, as held by the Supreme Court in *Esso Standard Eastern, Inc. vs Court of Appeals*, supra: xxx

"8. To borrow the words in the *Esso Case*, in kind and nature the products of respondent-applicant San Mateo and the opposer are 'poles apart'. They are so foreign to each other as to make it unlikely that purchasers would think that opposer is the manufacturer of respondent-applicant San Mateo's goods.

"9. In its packaging the name of San Mateo is clearly stated to signify the manufacturer of the product. A sample of respondent-applicant San Mateo's packaging is attached herewith as Exhibit '6'. In fact, in its t-shirts, respondent-applicant San Mateo proudly states: 'Buy Pinoy, Buy Nikon'. A photo of the t-shirt is attached herewith as Exhibit '7'. Thus, again, it is highly unlikely that purchasers would think that opposer is the manufacturer of San Mateo's goods.

"10. Opposer cannot claim expansion of business that would entitle it to cover the goods of respondent-applicant San Mateo. The *Esso Case* clarifies that such expansion must be within the 'zone of potential or natural and logical expansion'. Clearly, rubber sandals are not within the zone of potential or natural and logical expansion of a camera corporation such as the Opposer, who has remained in the camera business for decades."

"11. In fact, in *Canon Kabushiki Kaisha vs. Court of Appeals and NSR Rubber Corporation*, G.R. No. 120900, 20 July 2000, the Supreme Court already settled with finality the issues pending in this case: x x x".

The Opposer filed its REPLY on 24 September 2009. Accordingly, the preliminary conference was conducted, and which was terminated on 08 November 2010. Then after, the parties submitted their respective position papers.

In support of its opposition, the Opposer submitted the following as evidence:

1. authentication by Consul General Sulpicio M. Confiado dated 9th day of June 2010 attached therein the Verified Notice of Opposition;
2. authentication dated 10th day of June 2010 issued by Consul General Sulpicio M. Confiado attached therein Affidavit Testimony of Ichiro Terato;
3. certified copies of certificates of trademark registrations in Japan, the European Community, World Intellectual Property Organization, Argentina, Australia, Canada, Hong Kong, Italy and the United States of America;
4. certified copies of certificate of trademark registration and sales figures in the Philippines;
5. certified copies of invoices that indicate long and continuous use of the mark in the Philippines;
6. advertising features, billboards, publications and sponsorship, copies of magazines, catalogs, brochures, newspapers, photos;
7. certified copies of expenses report for the promotion of the products bearing NIKON;
8. certified copies of Opposer's statement of sales or financial statement for the last five (5) years;
9. authenticated Declaration of Seiko Tanabe dated June 18, 2009;
10. authenticated Declaration of Seiko Tanabe dated June 18, 2009;
11. Special Power of Attorney executed by NIKON Corporation in favor of Saludo Agpalo Law Offices as its counsel;
12. copy of the Decision No. 2006 of the Bureau of Legal Affairs, dated 21 September 2006, in IPC Nos. 4006, 4054 and 4183, all titled Nikon Corporation v. Nikolite Industrial Corp.; and
13. printouts of webpages of "google" and "yahoo" search engines for the word "NIKON".

The Respondent-Applicant for its part, submitted the pieces of evidence mentioned in its Answer and the affidavit⁴ of Rita Co.

Should the Respondent-Applicant be allowed to register the mark NIKON?

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.⁵

That the mark applied for registration by the Respondent-Applicant resembles the Opposer's is not disputed. Aptly, while the Respondent-Applicant's mark is composite, the defining feature thereof is still the word "NIKON".

⁴ Exhibit "8".

⁵ *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

In this regard, records and evidence show that at the time the Respondent-Applicant filed its trademark application on 13 November 2008, the Opposer has existing trademark registration for the mark NIKON, that is, Reg. No. 29680 issued on 04 August 1981 and which was renewed on 04 August 2001 covering goods under classes 9 and 10.

Defending its trademark application, the Respondent-Applicant argues that the registration of the mark NIKON should be allowed because it covers goods that are different from the Opposer's. However, the Opposer has anchored its opposition on the following provisions of the IP Code:

Sec. 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 which is considered by the competent authority of the Philippines to be well-known in accordance with the preceding paragraph, which registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, that the 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.

Sec. 165. Trade Names or Business Names.- xxx

165.2 (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark likely to mislead the public, shall be deemed unlawful.

The Opposer submitted evidence that satisfies the criteria for determining whether a mark is well-known as laid down in Rule 102 of the Trademark Regulations. The regulations state that in determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

1. the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
2. the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
3. the degree of the inherent or acquired distinction of the mark;
4. the quality-image or reputation acquired by the mark;
5. the extent to which the mark has been registered in the world;
6. the exclusivity of registration attained by the mark in the world;

7. the extent to which the mark has been used in the world;
8. the exclusivity of use attained by the mark in the world;
9. the commercial value attributed to the mark in the world;
10. the record of successful protection of the rights in the mark;
11. the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
12. the presence of absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark."

The Opposer submitted copies of certificates of trademark registration in the Philippines, list of registrations of its marks in different countries and other pieces of evidence relating to the extent of sales, advertisement and promotion of NIKON products.

Succinctly, this Bureau finds that the use by the Respondent-Applicant of the mark NIKON:

1. is likely to cause deception or confusion;
2. would indicate a connection between the Respondent-Applicant's goods and the Opposer whereby damaging to the latter's interests; and/or
3. mislead the public.

NIKON is a highly distinctive mark. The word may have its origin or may have been derived from foreign languages. Yet, it is still not an ordinary word in the English and Filipino languages. There is no evidence or proof that the word is of common usage in the Philippines aside from it being used as a trademark or brand. At the very least, NIKON therefore is considered as an arbitrary mark.

Sifting through the records, this Bureau noticed that the Respondent-Applicant itself submitted the proof that supports a conclusion that its use of the mark is likely to cause deception or confusion. The Respondent-Applicant's "packaging"⁶ clearly shows "characters" in the Japanese language, as shown below:



⁶ Exhibit "6".

Sandwiched by the word "NIKON" and the "characters" is the word "JAPAN". These "characters" and the word "JAPAN" are conspicuous or highly visible. A consumer therefore would have the impression that "NIKON sandals" is either imported from Japan or has a connection with a Japanese company. The Opposer is the Japanese company that uses the mark NIKON for its products sold in the Philippines and other countries. In fact, the word NIKON also comprises its trade name or business name. Aptly, even if the Opposer's mark is not declared to be well-known, the registration of the mark NIKON in favor of the Respondent-Applicant should not be allowed. Because NIKON is a highly distinctive mark, there is the likelihood that information, assessment, perception or impression about the Respondent-Applicant's goods may unfairly cast upon or attributed to the Opposer, and *vice-versa*. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:⁷

Callman notes 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. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. 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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

It must be stressed that the determinative factor in issues regarding the registration of a mark is not whether the mark would actually cause confusion or deception. Rather, the determinative factor in such contests is whether such mark would likely cause confusion or mistake on the part of the purchasing public. To constitute an infringement of an existing trademark, the competing trademarks need not be identical. It is sufficient that the similarity is such that there is a possibility of the purchaser of the older brand mistaking the newer brand for it.⁸

The likelihood of confusion or deception or the public being mislead is further enhanced by the fact that, as mentioned above, NIKON comprises the trade name or business name of the Opposer. The Respondent-Applicant's use, including the filing of an application to register the mark in its favor is thus considered unlawful pursuant to Sec. 165.2 of the IP Code.

That the Respondent-Applicant came up with a mark which is practically the same mark already used, owned and registered by the Opposer's by pure chance or coincidence suffers from lack of credibility. There is no plausible explanation as to how and why the Respondent-Applicant deals in goods using a packaging bearing the mark NIKON together with the word "JAPAN" and some Japanese characters. In these kind of cases, the Supreme Court has consistently held that as between the newcomer who by confusion has nothing to lose and everything to gain and one who by honest dealing has already achieve favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁹

The Respondent-Applicant points out that a trademark registration for the contested mark was issued to one Polymer Rubber Corporation in 1988. This would not help the Respondent-Applicant's cause. The Trademark Registry, the contents of which this Bureau can take cognizance of via judicial notice, reveals that the trademark registration (No. 38833) was already cancelled. Also, the registration was issued to Polymer Rubber Corporation. There is nothing in the records that shows the registration having been assigned or transferred from

⁷ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

⁸ *American Wire and Cable Co. v. Director of Patents, et. al.*, GR No. L-26557, 18 Feb. 1970.

⁹ *Del Monte Corporation et. al. v. Court of Appeals*, G.R. No 78325, 25 Jan. 1990.

Polymer Rubber Corporation to the Respondent-Applicant. The mere fact that two (2) of the erstwhile incorporators/stockholders of Polymer Rubber Corporation are also incorporators/stockholders of the Respondent-Applicant is not proof of the supposed transfer of interests over the mark from one corporation to the other. Furthermore, Sec. 20 of Rep. Act No. 166 (the old Law on Trademarks), the governing law at the time registration No. 38833 was issued, and Sec. 138 of the IP Code provides that a certificate of registration of a mark shall only serve as a *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark and the registrant's exclusive right to use the same. The Supreme Court held¹⁰:

"Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a *prima facie* proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case."

Succinctly, the Opposer has used, applied for registration, and registered the highly distinctive mark NIKON, long before any other party was able to do so. The Opposer even obtained registrations for the mark for goods under Class 25 in several countries.

WHEREFORE, premises considered, the instant Opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2008-013957 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 16 April 2013.


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

¹⁰*Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*, GR No. 159938, 31 Mar. 2006.