



HONDA MOTOR CO., LTD.,  
Opposer,

**-versus-**

MCXMOTOR PHILS. INC.,  
Respondent-Applicant.

X-----X

IPC No. 14-2009-00015  
Opposition to:  
Appln. Serial No. 4-2008-006493  
Date Filed: 04 June 2008  
TM: "HORNET"

### NOTICE OF DECISION

#### E.B. ASTUDILLO & ASSOCIATES

Counsel for Opposer  
10<sup>th</sup> Floor, Citibank Center  
8741 Paseo de Roxas  
Makati City

#### RUBY GRACE F. MALABANAN


For Respondent-Applicant  
No. 17 Calle Fabrica Street  
Malhacan, Meycauyan City

#### GREETINGS:

Please be informed that Decision No. 2014 - 240 dated October 07, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 07, 2014.

For the Director:

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



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Date Filed : 04 June 2008

Trademark : "HORNET"

Decision No. 2014 - 240

### DECISION

HONDA MOTOR CO., LTD. ("Opposer")<sup>1</sup> filed an opposition to Trademark Application Serial No. 4-2008-006493. The application, filed by MCXMOTOR PHILS., INC. ("Respondent-Applicant")<sup>2</sup>, covers the mark "HORNET" for use on "motorcycles and scooters" under class 12 of the International Classification of Goods and Services<sup>3</sup>.

The Opposer alleges among other things the following:

"1. The trademark HORNET being applied for by respondent-applicant is identical to and confusingly similar with opposer's trademark HORNET, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"2. The registration of the trademark HORNET in the name of respondent-applicant will violate Section 123 (e) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines and Section 6bis and other provisions of the Paris Convention of Industrial Property to which the Philippines and Japan are parties.

"3. The registration and use by respondent-applicant of the trademark HORNET will diminish the distinctiveness and dilute the goodwill of opposer's identical trademark HORNET.

"4. The registration of the trademark HORNET in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines.

"In support of this opposition, oppose will prove and rely upon the following facts, among others:

"1. Opposer is the owner of and/or registrant of and/or applicant in many trademark registrations and/or applications of the trademark HORNET around the world under International Class 12, x x x.

"2. By virtue of opposer's prior application and/or registration and ownership of the trademark HORNET around the world, said trademark is therefore considered both under Philippine law and international conventions as 'notorious' or 'world-famous'.

<sup>1</sup> A corporation duly organized and existing under the laws of Japan with business address at 1-1, Minami-Aoyama 2-chome, Minato-ku, Tokyo, Japan.

<sup>2</sup> With registered address at No. 17 Calle Fabrica Street Malhacan, Meycauyan City.

<sup>3</sup> The Nice Classification of goods and services is for registering trademark and service marks, based on a 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.

"3. The trademark HORNET being world famous, respondent-applicant cannot register the mark in its own name, the sole and exclusive owner thereof being Honda Motor Co. Ltd., oppose herein. x x x.

The protection afforded 'well-known' marks under Philippine law extends to such mark 'whether or not it is registered' in the Philippines.

"4. The trademark HORNET being a world-famous mark, its sole and exclusive owner, herein oppose Honda Motor Co. Ltd. has the statutory right under Philippine law to oppose its registration by respondent-applicant Mxomotor Phils., Inc., or indeed, even petition the cancellation of its registration or sue for unfair competition and/or trademark infringement against respondent-applicant Mxomotor Phils., Inc. x x x.

"5. The world-famous mark HORNET of opposer Honda Motor Co. Ltd. falls squarely within or completely satisfies the criteria for determining whether a mark is well-known under Rule 102 of the Rules and Regulations on Trademarks, Servicemarks, Tradenames and Marked or Stamped Containers dated October 29, 1998 of the Intellectual Property Office of the Philippines, x x x.

"6. Moreover, the allowance of Application Serial No. 4-2008-006493 in the name of respondent-applicant will be in violation of the treaty obligations of the Philippines under the Paris Convention for the Protection of Industrial Property, to which the Philippines and Japan are Member States. x x x.

"7. The trademark HORNET of respondent-applicant Mxomotor Phils., Inc. is identical of opposer's world-famous mark HORNET. Both marks have exact the same spelling in plain bold letters.

"8. Moreover, the identical mark HORNET of respondent-applicant covers the goods 'motorcycles and scooters' under international class 12 which are exactly the same goods for which opposer's mark HORNET are used and registered around the world. The goods being similar, they are sold, marketed and/or found in the same channels of business and trade, thus compounding the chance of confusion.

"9. By adopting the identical mark HORNET for exactly the same goods that opposer is internationally known for, it is obvious that respondent-applicant's intention is to 'ride-on' the goodwill of Honda Motor Co. Ltd. and 'pass-off' its goods as those of opposer.

"10. A boundless choice of words, phrases and symbols are available to a person who wishes to have a trademark sufficient unto itself to distinguish its products from those of others. There is no reasonable explanation therefore for respondent-applicant to use HORNET as its mark when the field for its selection is so broad.

"11. The registration and use of the identical mark HORNET by respondent-applicant will deceive and/or confuse purchasers into believing that respondent-applicant's goods and /or products bearing said mark emanate from or are under the sponsorship of oppose Honda Motor Co. Ltd., the sole and exclusive owner of the trademark HORNET around the world. This will therefore diminish the distinctiveness and dilute the goodwill of opposer's trademark HORNET."

The Opposer submitted the following evidence marked as Exhibits "A" to "JJ" inclusive of submarkings:

1. Certified True Copy (CTC) of Japanese Trademark (TM) Registration No. 0941288 for the mark "HORNET";
2. CTC of Norwegian TM Registration No. 197106 for the mark "HORNET";

3. CTC of Swiss TM Registration No. P-450510 for the mark "HORNET";
4. CTC of Australian TM Registration No. 756878 for the mark "HORNET";
5. CTC of Taiwanese TM Registration No. 01026813 for the mark "HORNET";
6. CTC of Korean TM Registration No. 0366323 for the mark "HORNET";
7. CTC of Argentinean TM Registration No. 2657040 for the mark "HORNET";
8. CTC of Community TM Registration No. 003308756 for the mark "HORNET";
9. Copy of Icelandic TM Registration No. 952/2001 for the mark "HORNET";
10. Copy of English TM Registration No. 2264948 for the mark "HORNET";
11. Copy of Russian TM Registration No. 291171 for the mark "HORNET";
12. Copy of Croatian TM Registration No. Z20010415 for the mark "HORNET";
13. Copy of South Korean TM Registration No. 366323 for the mark "HORNET";
14. Copy of Benelux TM Registration No. 0750516 for the mark "HORNET";
15. Copy of Uruguayan TM Registration No. 369237 for the mark "HORNET";
16. Copy of Paraguayan TM Registration No. 293922 for the mark "HORNET";
17. Copy of Chilean TM Registration No. 770938 for the mark "HORNET";
18. Copy of Bolivian TM Registration No. 105684-C for the mark "HORNET";
19. Copy of Columbian TM Registration No. 3228488 for the mark "HORNET";
20. Copy of Ecuadorian TM Registration No. 168653 for the mark "HORNET";
21. Copy of Guatemalan TM Registration No. 146821 for the mark "HORNET";
22. Copy of Honduras TM Registration No. 95999 for the mark "HORNET";
23. Copy of Nicaraguan TM Registration No. 0603245 for the mark "HORNET";
24. Copy of Costa Rican TM Registration No. 162324 for the mark "HORNET";
25. Copy of El Salvador TM Registration No. 00189 for the mark "HORNET";
26. 2005-2006 Japanese Motor Vehicles Guidebook/Catalogue;
27. Official brochure of the 39<sup>th</sup> Tokyo Motor Show/Honda 2005;
28. HORNET promotional brochure/catalogue;
29. Notarized and Legalized Affidavit-Testimony of witness Mikio Yoshimi;
30. Honda's Corporate Profile as of March 2008;
31. Official brochure of the 39<sup>th</sup> Tokyo Motor Show/Honda 2005;
32. CAP Green Book dated August 2006; and,
33. Promotional and advertising materials of Honda's motorcycles bearing the trademark "HORNET".

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 16 March 2009. Respondent-Applicant however, did not file an answer. Thus, this instant case is submitted for decision.

Should the Respondent-Applicant be allowed to register the trademark HORNET?

The contending marks are obviously identical, both carrying the trademark HORNET, without any substantial difference in their font, device and manner of display. Moreover, the Respondent-Applicant uses its mark on goods that are similar or closely related to the Opposer's, particularly motorcycles and scooters which flow on the same channels of trade and both falling under Class 12. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not

only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:<sup>4</sup>

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. Hence, 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.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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.<sup>5</sup>

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks  
Article 15  
Protectable subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In

<sup>4</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

<sup>5</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark 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 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. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code states:

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. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. – A certificate of registration of a mark shall be 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 in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is 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 not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.<sup>6</sup> The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be

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<sup>6</sup> See Section 236 of the IP Code.

prejudiced. In *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity Machinery Co. Ltd.*<sup>7</sup>, the Supreme Court held:

RA 8293 espouses the “first-to-file” rule as stated under Sec. 123.1(d) which states:

x x x

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

Sec. 134 of the IP Code provides that “any person who believes that he would be damaged by the registration of a mark x x x” may file an opposition to the application. The term “any person” encompasses the true owner of the mark, the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers group of Companies, Inc.*

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.

In this instance, the Opposer proved that it is the owner of the contested mark. It has submitted evidence relating to the origin of its HORNET trademark long before the filing of the Respondent-Applicant’s trademark application. Among the pieces of evidence is the affidavit of its witness<sup>8</sup>, promotional brochure/catalogue of its HORNET trademark<sup>9</sup>, and registration in various countries.<sup>10</sup>

In contrast, the Respondent-Applicant despite the opportunity given, failed to explain how she arrived at using the mark HORNET as she failed to file a Verified Answer. The mark HORNET is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Applicant to have come up with the same mark practically for similar goods by pure coincidence.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combination of letters and designs 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.<sup>11</sup>

<sup>7</sup> G.R. No. 184850, 20 October 2010.

<sup>8</sup> Exhibit CC” of Opposer.

<sup>9</sup> Exhibits “BB”, “GG” to “JJ” of Opposer.

<sup>10</sup> Exhibits “A” to “H” of Opposer (CTCs); Exhibits “I” to “Y” (Copy).

<sup>11</sup> *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 February 1970.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2008-006493 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 07 October 2014.

  
**Atty. NATHANIEL S. AREVALO**  
*Director IV, Bureau of Legal Affairs*