



**KIMBERLY-CLARK WORLDWIDE, INC.**  
**and KIMBERLY-CLARK CORP.,**  
Petitioners,

**-versus-**

**HANKOOK INDUSTRIAL SALES, CO.,**  
Respondent-Registrant.

} **IPC No. 14-2010-00302**  
}  
} Cancellation of:  
} Reg. No. 4-2008-014060  
} Date Issued: 25 June 2009  
} **TM: "JACKSON & DEVICE"**

X-----X

### NOTICE OF DECISION

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#### GREETINGS:

Please be informed that Decision No. 2014 - 325 dated December 19, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 19, 2014.

For the Director:

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



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**IPC No. 14-2010-00302**

Cancellation of:

Reg. No. 4-2008-014060

Date Issued: 25 June 2009

Trademark: "**JACKSON & DEVICE**"

Decision No. 2014 - 325

**DECISION**

KIMBERLY-CLARK WORLDWIDE, INC. and KIMBERLY-CLARK CORP., INC. ("Petitioners")<sup>1</sup> filed a petition for cancellation of Trademark Registration No. 4-2008-014060. The registration, issued to HANKOOK INDUSTRIAL SALES, CO. (Respondent-Registrant)<sup>2</sup>, covers the mark "JACKSON & DEVICE" for use of goods under classes 07 namely: *welding & cutting outfit, cutting tips & welding tips, electrode holder, all kinds of abrasives (cutting, grinding wheel and cut off wheel), arc welding machine, welding tig inverter, AC/DC welding machine, plasma cut, mig welding, spot welding, oxy-acetylene welding and cutting machines, electric arc welding machines, electric welding machines, gas welding machines, welding & cutting outfit, cutting tips & welding tips, arc welding machine, AC/DC welding machine, grinding machine, grinders (power tools), cut-off machine, welding tig inverter, plasma cut, mig welding, spot welding, welding gun tips, welding contact tips, abrasives, cut-off wheel, depressed center wheel, grinding wheel; diamond cutting wheel, diamond blade, cup brush, air compressor, compressor head and its accessories, drilling machine and its accessories, all the aforementioned as far as included in class 07; and, class 08<sup>3</sup> namely: acetylene regulators and valves, oxy-acetylene regulators and valves, CO2 regulators, medical regulator, argon regulators, welding electrodes, welding helmets (protective work helmets), welding masks (protective work masks), welding & cutting torches, welding tips, electrode holder, welding rod holder, welding cables, welding gloves (protective work gloves), welding suits (protective work suits), pressure switch and pressure gauge, battery charger, all the aforementioned in class 09."*

The Petitioners alleged the following:

"31. Petitioners will likely be damaged by the use, adoption and registration of respondents JACKSON in the Philippines, viz.,

31.1 Clearly, the products to which JACKSON and JACKSON SAFETY and respondent's JACKSON relate are similar or closely related, and distributed and sold through the same channels of trade.

31.2 Respondent's JACKSON is a knockoff of JACKSON and JACKSON SAFETY.

<sup>1</sup> Corporations based in Neenah, Wisconsin 54956 USA.  
11, Clearfield, Utah, U.S.A.

<sup>2</sup> With address at P2 Blk. 54 Lot 34, A. Bonifacio Avenue, Upper Bicutan, Taguig 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.

31.3 Respondent copied petitioner's trademarks and logos. JACKSON and JACKSON SAFETY are not common trademarks and logos that could readily be conceived by any usual trademark applicant, like the respondent, and nobody would likely to believe the respondent's adoption, use and appropriation of the very same word, design and trade dress as the petitioner's trademarks and logos was a coincidence.

31.4 To repeat, petitioners have gained widespread and renowned goodwill and reputation for JACKSON and JACKSON SAFETY in connection with its business, and it is unlikely that respondent is unaware of the prior widespread use and registration, goodwill and reputation of the said petitioners' trademarks and logos.

31.5 Respondent named its products JACKSON to capitalize on the widespread and renowned goodwill and reputation acquired by or associated with JACKSON and JACKSON SAFETY.

31.6 Such intent to capitalize or obtain some advantage is clear or can be inferred from respondents copying of JACKSON and JACKSON SAFETY despite having knowledge of the goodwill and reputation of the said trademarks and logos, and despite the boundless choice of words and symbols available to respondent to distinguish its products from the others.

31.7 The reputation and goodwill associated with JACKSON and JACKSON SAFETY are petitioners' invaluable assets that must be protected from all forms of infringement and unfair competition practices.

31.8 The use, adoption and registration of respondent's JACKSON will diminish the distinctiveness and dilute the goodwill of JACKSON SAFETY, bring to naught the resources that petitioners and predecessors-in-interest expended in acquiring and preserving such goodwill and reputation, and disregard petitioners' clear and prior right to the 74-year old, renowned trademarks and logos.

31.9 Respondent's action contravenes the protection granted to JACKSON and JACKSON SAFETY under the IP Code, the TRIPS Agreement and other similar international treaties and contraventions to which the Philippines and the United States adhere.

"32. The registration of respondent's JACKSON is proscribed under Section 147.1 of the IP Code, and Article 16, paragraph 1 of the TRIPS Agreement.

"33. Likelihood of confusion is presumed since respondent's JACKSON is an exact copy of JACKSON and JACKSON SAFETY and their products are similar or closely related.

"34. The registration of respondent's JACKSON will preclude petitioners from obtaining registration of and continue using the JACKSON and JACKSON SAFETY in the Philippines.

"35. Respondent's Registration No. 4-2008-014060 merely creates a *prima facie* presumption of validity of the registration, the registrant's ownership and exclusive right to use the mark in connection with the goodness or services specified in the certificate. Registration does not perfect a trademark right, since evidence of prior use may be presented to overcome the presumption.<sup>7</sup>

"36. Petitioners' widespread prior use and registration of JACKSON and JACKSON SAFETY in many parts of the globe clearly controverts respondent's claim of legal appropriation.

"37. Respondent's Registration No. 4-2008-014060 must not prejudice or forfeit whatever 'existing prior rights' the petitioners have derived on JACKSON and JACKSON SAFETY. This is clear in the TRIPS Agreement; that the registration of a trademark 'shall not prejudice any existing prior rights.'

"38. Furthermore, respondent is not the legitimate owner of JACKSON and it has no right to apply for the registration of the said trademark and logo.

"39. The right to register a trademark is based on ownership. By itself, registration is not a mode of acquiring ownership.

"40. Lastly, respondent's Registration No. 4-2008-014060 was acquired in bad faith of fraudulently, and it must be cancelled pursuant to Section 151, paragraph [b] of the IP Code.

"41. The registration of respondent's JACKSON is tantamount to allowing an intellectual pirate or a counterfeiter to own a trademark in the Philippines; thereby negating the very essence of trademark, i.e., to indicate the origin or ownership of the goods to which they are attached and to guarantee that the goods come up to a certain standard of quality.

The Petitioners' evidence consist of the following:

1. Exhibit "A" - Affidavit executed by Nancy Lee Carter in support of the petition;
2. Exhibit "B" - Brochures of Kimberly-Clark's trademarks and logos;
3. Exhibit "C" - History of trademark assignments of US Registration No. 992,383 from the USPTO Agreements;
4. Exhibit "D" - Status and current owner of record of US Registration No. 992,383;
5. Exhibit "E" - Distribution Agreement by KCC and Jackson Products, Inc.;
6. Exhibit "F" - Merger Press Release;
7. Exhibit "G"- "G-15"- Philippine Sales Invoices of JACKSON and JACKSON SAFETY products;
8. Exhibit "H" - Kimberly-Clark's foreign trademark registrations for JACKSON and JACKSON SAFETY products;
9. Exhibit "I" - Certified true copy of Respondent's Registration No. 4-2008-014060 for JACKSON & DEVICE;
10. Exhibit "J" - Certified true copy of Kimberly-Clark's Application Serial No. 4-2009-011919 for JACKSON SAFETY & LOGO;
11. Exhibit "K"- "K-1"- Certified true copies of office actions in Application Serial No. 4-2009-011919;
12. Exhibit "L"- "L-1"- Kimberly-Clark's cease-and-desist letters;
13. Exhibit "M" - Certified true copy of US Registration No. 992,383;
14. Exhibit "N"- "N-1"- Certified true copies of Assignments of Application for Registration of Trademark executed by Jackson Products, Inc. in favor of KCC;
15. Exhibit "O"- "O-5"- Various foreign trademark registration of Petitioner of JACKSON & DEVICE and its variants.

On 04 April 2011, Respondent-Registrant filed its Answer containing among others the following Special and Affirmative Defenses:

"3. 03 Petitioners have neither legal nor factual basis of their claim that they will be damaged by the registration of the trademark JACKSON & DEVICE bearing Registration No. 4-2008-014060 issued by Intellectual Property Office on 25 June 2009 in the name of Hankook Industrial Sales Co. (herein Respondent-Registrant)

"3. 04 On 25 June 2009, the Intellectual Property Office or IPO issued Trademark Certificate of Registration No. 4-2008-014060 for the trademark JACKSON & DEVICE covering goods under Class 07 and 09.

"3.05 Petitioners, on the other hand, applied with IPO for the registration of the mark JACKSON SAFETY & LOGO on 20 November 2009 under Application No. 4-2009-011919, a year, more or less, after Respondent-Registrant applied for the registration of the trademark JACKSON & DEVICE or 5 months after Respondent-Registrant was issued trademark registration No. 4-2008-014060 in the name of Hankook Industrial Sales Co.

"3.06 Under the principle of first-to-file rule of R.A 8293, Respondent-Registrant is the owner, first adopter and prior applicant and registrant of the subject trademark JACKSON & DEVICE.

"3.07 Likewise, Respondent-Registrant submits herewith a certificate of Articles of Partnership from Securities and Exchange Commission, issued to Hankook Industrial Sales Co.

"3.08 To bolster its claim, other than registration of the trademark JACKSON & DEVICE, ownership stemmed from prior adoption and use of the trademark in the Philippines. Evidence of actual and commercial use of the trademark JACKSON & DEVICE since year – 2005 in the Philippines.

With the foregoing as evidence, there is no denying that Respondent-Registrant is the prior adopter, registrant and true owner of the trademark involved.

"3.09 Being the owner and prior user and registrant of JACKSON & DEVICE since year 2005, Respondent-Registrant has exclusive, vested and superior rights over the trademark JACKSON & DEVICE and any variation thereof.

"3.10 Moreover, to allow substantially similar mark, Respondent-Registrant's JACKSON & DEVICE trademark and Petitioner's JACKSON SAFETY & LOGO mark, to co-exist in the business will lead to confusion in trade.

"3.11 Clearly, Respondent-Registrant can assert use of the trademark JACKSON & DEVICE as applied to goods under Classes 07 and 09, hence, this instant Opposition should be dismissed for utter lack of merit.

The Respondent-Registrant's evidence consist of the following:

1. Exhibit "1" - Photocopy of Certificate of Registration No. 4-2008-014060 for JACKSON & DEVICE;
2. Exhibit "2" - Certificate of Articles of Partnership from Securities & Exchange Commission; and,
3. Exhibit "3"- "3-D- Sales Invoices showing actual and commercial use of JACKSON & DEVICE;

Hence, this case is deemed submitted for decision.

Should Respondent-Registrant's trademark JACKSON & DEVICE be cancelled?

It is emphasized that 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 out into the market a superior 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>4</sup>

<sup>4</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

Section 151.1 of the IP Code provides:

x x x A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for these goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. x x x

In relation, Sec. 123.1 (d) of the IP Code provides:

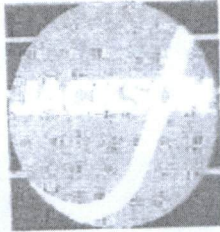
A mark cannot be registered if it:

x x x

(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;

The following marks are hereby reproduced for comparison:



Petitioner's Trademark



Respondent-Registrant's Trademark

The contending marks contain the identical word JACKSON and the device of a stylized uppercase letter "J" inside a circular form. These similarities outweigh the existence of any difference in the details of the mark such as designs and font, thus, sufficient to cause the likelihood of confusion to the public.

Moreover, the aforementioned marks are used on goods that are similar or closely related to each other, which flow on the same channels of trade and both, particularly that falling under Class 08 and 09. 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>5</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 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>6</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 of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member 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.

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<sup>5</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.  
<sup>6</sup> Pribhdas J.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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 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 prescribed 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 Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish 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 provision 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 validly in accordance with the provision 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>7</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 right 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

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<sup>7</sup> See Sec. 236, IP Code.



real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity Machinery Co. Ltd.*<sup>8</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 Petitioners proved that it is the owner of the contested mark. It has submitted evidence relating to the origin and history of its JACKSON & DEVICE trademark, the assignment and current ownership of the subject mark and the distribution agreement between Kimberly-Clark and Jackson Products Inc.<sup>9</sup> The Petitioners likewise proved its ownership through the certificates of trademark registration in various foreign jurisdictions.<sup>10</sup> More importantly, Petitioners proved its actual presence and operation in the Philippines, evidenced by the Sales Invoices<sup>11</sup> covering the purchase of JACKSON products showing the continuous shipment, sales and marketing of its products bearing the trademark JACKSON & DEVICE.

In contrast, Respondent-Registrant did not give sufficient explanation in adopting and using the trademark JACKSON. The said mark is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Registrant 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 million of terms and combination of letters and designs available, the Respondent-Applicant had to come up with a mark

<sup>8</sup> G.R. No. 184850, 20 October 2010.

<sup>9</sup> Exhibit "A", "B", "C", "D" and "E" of Petitioners.

<sup>10</sup> Exhibit "H", "M", "N" and "O" including sub-markings of Petitioner.

<sup>11</sup> Exhibit "G" including sub-markings of Petitioners.

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>12</sup>

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 Petition to Trademark Registration No. 4-2008-014060 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, 19 December 2014.



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

<sup>12</sup>

American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.