



OFFICE OF THE DIRECTOR GENERAL

VERONICA TENG,
Respondent-Appellant,

-versus-

KENSONIC, INC.,
Opposer-Appellee.

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Appeal No. 14-2013-0047

IPC No. 14-2010-00112

Opposition to:

Application No. 4-2008-003814

Date Filed: 03 April 2008

Trademark: SAKURA & DEVICE

DECISION

VERONICA TENG (“Appellant”) appeals the decision¹ of the Director of Bureau of Legal Affairs (“Director”) sustaining the opposition of KENSONIC, INC. (“Appellee”) to the registration of the mark “SAKURA & DEVICE”.

Records show that the Appellant filed on 03 April 2008 an application to register SAKURA & DEVICE for use on goods² falling under Classes 9 and 11 of the NICE Classification.³ On 01 February 2010, the trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks. Subsequently, the Appellee filed a “NOTICE OF OPPOSITION” dated 28 May 2010 alleging that it will be damaged and prejudiced by the registration of SAKURA & DEVICE.

The Appellee claimed that SAKURA & DEVICE is identical and/or confusingly similar to its mark “SAKURA” which is subject of trademark applications filed earlier than the Appellant’s trademark application. The Appellee maintained that it is engaged in the business of dealing with, and distributing all kinds

¹ Decision No. 2013-169 dated 14 August 2013.

² Class 9 - 1 way switch; 3 way switch; 1-gang switch w/ plate set; 2-gang switch w/ plate set; 3-gang switch w/ plate set; through-cord switch; square switch; surface tumbler switch; knife switch 2p fuse type; power pushbutton switch; regular outlet; 1-gang universal outlet w/ plate set; 2-gang universal outlet w/ plate set; 2-gang regular outlet w/ plate set; 3-gang regular outlet w/ plate set; 3-wire ground outlet; 2-gang duplex with ground outlet w/ plate set; 1-gang duplex w/ ground outlet w/ plate set; aircon outlet; aircon outlet 1 gang w/ plate set; 2 gang 2 pole socket; 3 gang 2 pole socket; 2 gang 2 pole universal socket; 3 gang 2 pole universal socket; 4-gang surface duplex outlet; tv cable outlet; 1-gang tv cable outlet w/ plate set; 2-gang telephone outlet w/ plate set; telephone outlet; push button switch; weatherproof cover; surface-type pvc utility box; utility box; junction box; junction box cover; female plug base; adaptor plug flat pin to round tap; regular plug; rubber plug; waterproof rubber socket; budget wall-light; concealed receptacle; surface socket porcelain; keyless socket; push through socket; candelabra socket
Class 11 - budget wall-light.

³ 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.

of electronic goods and wares, including speakers, amplifiers, audio/video products, DVD and VCD players, equalizers, mixers, tape decks, tuners, video disc recorders and other electronic goods. According to the Appellee, the goods covered by the Appellant's trademark application are so related to its goods as to give rise to confusion. The Appellee asserted that it has extensively promoted SAKURA in the Philippines and has built-up and maintained a wide network of distributors and sellers of SAKURA goods and that this Office has ruled in another case that it is the first user of SAKURA as early as 1994. The Appellee averred that the approval of the Appellant's trademark application will violate its right to the exclusive use of SAKURA and that the Appellant's use of SAKURA & DEVICE will take unfair advantage of, dilute and diminish the distinctive character and reputation of its mark SAKURA.

The Appellant filed an "ANSWER" on 10 September 2010 alleging that she filed in good faith her trademark application and that the Bureau of Trademarks has determined that the application complies with the requirements of registration of a mark. The Appellant claimed that her goods are neither the same nor closely related to or even competitive with the Appellee's goods and that the Appellee does not deal with any of the goods covered by her trademark application. She maintained that to date, the Appellee has no existing registration for SAKURA and that the Appellee has no monopoly or exclusive rights to register and use SAKURA for all kinds and classes of goods. According to the Appellant, the mark/word SAKURA or variants thereof was neither coined nor invented by the Appellee but is a common word found in most dictionaries meaning "Cherry Blossom".

After the appropriate proceedings, the Director ruled that the word "sakura" is the dominant feature in the Appellant's and Appellee's marks and that the flower device in the Appellant's mark pales into insignificance in view of the glaring similarities between the marks. The Director held that the goods of the parties are similar and/or closely related and that the addition of a flower device will not diminish the likelihood of the occurrence of confusion, mistake and/or deception. The Director also held that even if a word is a common word, if it is not the descriptive or generic name of the goods it represents, it can be registered as a trademark.

Not satisfied with the decision of the Director, the Appellant filed on 08 October 2013 an "APPEAL MEMORANDUM" contending that the Director erred in sustaining the opposition and that a side-by-side comparison of the marks of the parties shows that they are neither identical nor confusingly similar. The Appellant maintains her position that the goods upon which she uses her mark are different upon which the Appellee's mark is used or intended to be used, and the adoption, use, and registration of the same or identical trademark by another person on articles of different description should be allowed.

On 29 November 2013, the Appellee filed a "COMMENT (Re: TENG'S Appeal Memorandum dated 08 October 2013)" maintaining that the Bureau of Legal Affairs correctly disallowed the registration of the Appellant's mark SAKURA & DEVICE. The Appellee argues that the registration of this mark is barred by *res*

judicata or conclusiveness of judgment as there is another case between the parties where the Bureau of Legal Affairs recognized the Appellee as the owner of the mark SAKURA and ordered the cancellation of the registration of SAKURA & DEVICE issued in the name of the Appellant. The Appellee claims the confusing similarity of SAKURA & DEVICE to its mark and that the goods covered by the Appellant's mark are related to its goods.

The issue in this appeal is whether the Director was correct in sustaining the Appellee's opposition to the registration of SAKURA & DEVICE in the name of the Appellant.

The appeal is not meritorious.

There is no dispute that in another case⁴, the Director rendered a decision where the Appellee was recognized as the owner of the mark SAKURA and that SAKURA & DEVICE was held to be confusingly similar with SAKURA. As pointed out by the Appellee:

“Noteworthy, the contested mark in this case has been previously a subject of a cancellation proceeding, IPC Case No. 14-2007-00177, likewise between Opposer [Appellee] and Respondent-Applicant [Appellant]...

“Respondent-Applicant initially sought reconsideration of the above-cited Decision. However, it subsequently filed a Manifestation stating that she filed her Voluntary Surrender Letter of Registration No. 4-2006-001055. On 25 November 2011 Order No. 2011-105 (D) was issued stating that there is no reason to proceed with the case and that the Decision ordering the cancellation of Respondent-Applicant then registered mark stands. There is no reason to deviate from this ruling since the issue resolved between the parties is the issue of ownership of the mark “SAKURA.” [Decision No. 2013-169, p. 10-11, underscoring supplied]

4.5. Second, Decision No. 2008-152 settles the issue of whether TENG'S “SAKURA AND DEVICE” mark is confusingly similar to KENSONIC'S SAKURA mark. On this score, Decision No. 2008-152 declared –

“There is no question that petitioner's and respondent-applicant's respective marks are confusingly similar as the dominant feature of both marks is the word “SAKURA.””⁵

The Appellant, however, maintains that the other case cited by the Appellee cannot bar the registration of SAKURA & DEVICE as her trademark application covers different goods from those covered by that case.

Below are the illustrations of the marks of the parties:

⁴ Inter Partes Case No. 14-2007-001177, Kensoinc, Inc. v. Veronica D. Teng, filed on 15 June 2007.

⁵ COMMENT (Re: TENG'S Appeal Memorandum dated 08 October 2013), pages 10-11.



Appellant's mark



Appellee's mark

At a glance, one can see the similarity in these marks which both contain the word "SAKURA". Sec. 123.1(d) of the IP Code provides that a mark cannot be registered if it

- (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;

Therefore, the relevant question in this case is whether the registration of SAKURA & DEVICE in the name of the Appellant is likely to deceive or cause confusion.

It is noted that both parties deal with electrical and electronic products and devices. Thus, although the goods covered by the above-mentioned marks are different, they are not entirely unrelated. But even if this Office would agree to the proposition that there are differences in the nature of the goods of the Appellant and the Appellee, it is not farfetched that because of the similarity in these marks, there would be an impression that the Appellant's mark is owned by the Appellee or is just a variation of the Appellee's mark. The discussion by the Supreme Court of the Philippines in the case of *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft*⁶ is instructive.

Callmann 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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."

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In the present state of development of the law on Trade-Marks, Unfair Competition, and Unfair Trading, the test employed by the courts to determine

⁶ G. R. No. L-19906, 30 April 1969.

whether noncompeting goods are or are not of the same class is confusion as to the origin of the goods of the second user. *Although two noncompeting articles* may be classified under two different classes by the Patent Office because they are deemed not to possess the same descriptive properties, they would, nevertheless, be held by the courts to belong to the same class if the simultaneous use on them of identical or closely similar trademarks would be likely to cause confusion as to the origin, or personal source, of the second user's goods. They would be considered as not falling under the same class only if they are so dissimilar or so foreign to each other as to make it unlikely that the purchaser would think the first user made the second user's goods.

Such construction of the law is induced by cogent reasons of equity and fair dealing. The courts have come to realize that there can be unfair competition or unfair trading even if the goods are noncompeting, and that such unfair trading can cause injury or damage to the first user of a given trademark, first, by prevention of the natural expansion of his business and, second, by having his business reputation confused with and put at the mercy of the second user. When noncompetitive products are sold under the mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user, inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud.

In this regard, the Appellant's goods may be assumed to originate with the Appellee and the public would then be deceived to believe that there is some connection between the Appellant and the Appellee, which, in fact, does not exist. The likelihood of confusion would subsist not on the purchaser's perception of goods but on the origins thereof. Consequently, the registration of the Appellant's mark may cause damage to the Appellee which has no control over the Appellant's products covered by SAKURA & DEVICE.

The Appellee has shown that it has used its mark as early as 1994. Thus, it is not entirely remote that the Appellant knew of the mark SAKURA being used on electronic products. However, aside from alleging that she filed her trademark application in good faith, she did not explain how she arrived in using this mark. In one case, the Supreme Court of the Philippines held that:

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the

appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.⁷


The field from which the Appellant may select her trademark is practically unlimited and she has "millions of terms and combinations of letters and designs available". It is, thus, surprising why the Appellant is insisting on using and registering a mark similar to the mark of the Appellee.

Wherefore, premises considered, the appeal is hereby dismissed.

Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

SO ORDERED.

22 SEP 2014 , Taguig City.


RICARDO R. BLANCAFLOR
Director General

⁷ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.