

Republic of the Philippines
COURT OF APPEALS
Manila

SIXTH DIVISION

* * * * *

KOLIN ELECTRONICS CO.,
INC.,

Petitioner,

CA-G.R. SP No. 122566

Members:

-versus-

TAIWAN KOLIN CORP. LTD.,
Respondent.

TIJAM, N. G., *Chairperson*
LOPEZ, M. V., *and*
GARCIA-FERNANDEZ, M.V., *II*::

TAIWAN KOLIN CORP. LTD,
represented herein by KOLIN
PHILIPPINES
INTERNATIONAL, INC.,

Petitioner,

CA-G.R. SP No. 122574

-versus-

KOLIN ELECTRONICS CO.,
INC.,

Respondent.

Promulgated:

January 27, 2015

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DECISION

TIJAM, J.:

Before this Court are two consolidated cases involving two *Petitions for Review* under *Rule 43* of the Rules of Court. The petitions seek to set aside the November 23, 2011 *Decision*,¹ issued by Ricardo

¹ Rollo of SP No. 122574, p. 57-64.

R. Blancaflor, Director General of the Intellectual Property Office (IPO), in *Appeal No. 14-09-40*, entitled, *Taiwan Kolin Corp., Limited represented by herein Kolin Philippines International, Inc. vs. Kolin Electronics Co., Inc.*.

The facts of the case are as follows:

Kolin Electronics Co., Inc., (KECI) is a domestic corporation engaged in the business of manufacturing, assembling and marketing various electronic products since 1989 and is the registered owner of the trademark "KOLIN."²

Taiwan Kolin Corp. Ltd, (TKCL) represented herein by Kolin Philippines International, Inc. (KPII), is a foreign corporation organized and existing under the laws of Taiwan, engaged in the home appliance business, particularly in manufacturing, selling and distributing television sets, air-conditioners, washing machines, show case refrigerators, rice cookers and other similar appliances and electrical products.³ Since 1976, TKCL had been using the "KOLIN" trademark for its home appliances and as far back as 1996, TKCL's products under the "KOLIN" brand had been made available in the Philippines.

On August 7, 1993, KECI filed an application with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) for the registration of the mark "KOLIN," covering electronic products in *NICE Class 9*, evidenced by *Certificate of Registration No. 4-1993-087497*.⁴ TKCL opposed the application on July 22, 1998,⁵ **but** the Bureau of Legal Affairs (BLA) of the IPO denied TKCL's opposition in its December 27, 2002 *Decision No. 2002-46 in Inter Partes Case No. 14-1998-00050*, and ruled that KECI is the first and actual user, and hence the owner, of the name and mark "KOLIN," having conclusively proven its first use of the same in 1989, which is

2 Rollo of SP No. 122574, p. 295.

3 Rollo of SP No. 122574, p. 25.

4 Rollo of SP No. 122566, p. 241.

5 Rollo of SP No. 122566, p. 241.

7 years ahead of TKCL's alleged first use of the same in the Philippines in 1996.⁶ The BLA's *Decision* was affirmed by the IPO Director General in a *Decision* dated November 6, 2003, stating that KECI is the prior and actual commercial user and owner of the trademark "KOLIN" in the Philippines. This was later upheld by this Court in its July 31, 2006 *Decision*, in *CA-GR SP No. 80641*, which became final and executory due to TKCL's failure to appeal the same.⁷

Meanwhile, on December 22, 2007, TKCL filed *Trademark Application No. 4-2002-011001* (Class 11 TM Application) for the mark "KOLIN," under *Class 11* goods. This was given due course on February 28, 2007, by the BLA-IPO, denying in the process, KECI's *Opposition* thereto. On the same date, TKCL likewise filed for the registration of its "KOLIN" mark under *Class 21* (Class 21 TM Application). This, too, was given due course by the BLA-IPO on August 30, 2007.

On June 29, 2007, the BLA promulgated its *Decision* in 2007-83 in *Inter Partes Case No. 14-2006-00064*, giving due course to KECI's *Trademark Application No. 4-2002-011003* (TA 4-2002-011003), for the mark "KOLIN" in *NICE Class 35*.⁸ KPII's appeal from the said *Decision No. 2007-83* is still awaiting decision from the BLA. As shown by *Certificate of Registration No. 4-2007-005421* (COR 4-2007-005421), issued by the IPO on December 22, 2008, KECI is the registered owner of the mark "KOLIN" under *Class 35 TM Application*.⁹ Neither TKCL nor KPII opposed the said registration.¹⁰

On August 16, 2007, KECI filed a *Trademark Application No. 20-2007-000009* (Class 35 TM Application) for "www.kolin.ph" for use in the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under *Class 35* of the *NICE* classification. This was published in the IPO *e-Gazette for Trademarks*

6 Rollo of SP No. 122566, p. 242.

7 Rollo of SP No. 122574, p. 882.

8 Ibid.

9 Rollo of SP No. 122566, p. 244.

10 Rollo of SP No. 122574, p. 323.

on January 11, 2008.

On May 12, 2008, TKCL filed a *Verified Opposition* (Opposition),¹¹ against the *Class 35 TM Application*, claiming that the registration of "*www.kolin.ph*" in KECI's favor should be denied on the following grounds: 1) it violates *Section 123.1 (d)* of the *Intellectual Property Code* (RA 8293), proscribing the registration of a mark identical with a registered mark belonging to a different proprietor of a mark with an earlier filing or priority date; it violates the prohibition on using "*broad terms in identifying goods, business or services*" under the *Implementing Rules and Regulations* of RA 8293; and it violates *Section 123.1 (e)* of RA 8293, which proscribes the registrability of a "mark which is "*identical with*" or "*considered by a competent authority in the Philippines to be well-known internationally and in the Philippines.*" The *Opposition*, however, was denied by BLA's Assistant Director in its July 16, 2008 *Order*,¹² holding that the documents which TKCL submitted are ***all photocopies*** contrary to the provisions of *Sections 7.1 and 7.3 of Office Order No. 79, Series of 2005, Amendments to the Regulations on Inter Partes Proceedings*, (Regulations).

On September 1, 2008, TKCL filed its *Motion for Reconsideration*,¹³ attaching thereto ***most*** of the originals and/or certified true copies of its documentary exhibits, alleging that its subsequent submission constitutes substantial compliance. The *Motion*, however, was denied,¹⁴ prompting TKCL, on May 21, 2009 to file an *Appeal Memorandum*,¹⁵ reiterating its arguments in its *Opposition* to the registration of "*www.kolin.ph*." After KECI filed its *Comment*,¹⁶ the case was referred to mediation, but both parties refused to mediate.

On November 23, 2011, the Office of the Director General

11 Rollo of SP No. 122574, p. 101.

12 Rollo of SP No. 122574, p. 115; 454.

13 Rollo of SP No. 122574, p. 117.

14 *Resolution dated April 23, 2009*, Rollo of SP No. 122574, p. 155.

15 Rollo of SP No. 122574, p. 158.

16 Rollo of SP No. 122574, p. 195.

(ODG) promulgated the assailed *Decision*,¹⁷ holding that the BLA Assistant Director was correct in dismissing TKCL's opposition for the latter's failure to attach the original documents thereto as required by the *Regulations*, thus:

“WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision and the records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance and records purposes.

SO ORDERED.”¹⁸

Both parties appealed the ODG' s *Decision*.

SP No. 122574

In its *Petition for Review*,¹⁹ TKCL alleged that the ODG gravely erred when it dismissed TKCL's appeal and upheld the BLA's *Decision* dismissing TKCL's *Opposition* purely on technical grounds. It likewise alleged that the *Regulations* neither required that the original supporting documents be attached to the opposition, nor did it prohibit an oppositor maybe from subsequently complying with the requirement on the submission of the original supporting documents to the opposition *after* the *Opposition* had been filed with the BLA. TKCL further alleged that technicalities should never frustrate the ends of justice and that the outright dismissal of its *Opposition* ran counter with the IPO's mandate to decide cases on the merits. TKCL averred that the ODG likewise erred in holding that the *Certificate of Registration in Class 35 TM Application* in favor of KECI gives the latter the right to use the mark “*www.kolin.ph.*” It argued that a certificate of registration of a mark is merely *prima facie* and not conclusive evidence of the validity of the registration, the registrant's ownership

17 Rollo of SP No. 122574, p. 57.

18 Rollo of SP No. 122574, p. 64.

19 Rollo of SP No. 122574, p. 22.

of the mark, and of 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.

TKCL further averred that the IPO records show that KPII filed *Application No. 4-2002-011003* for the registration of the mark "KOLIN" under *Class 35 TM Application* on December 27, 2002²⁰ prior to KECI, which filed *Application No. 4-2007-005421* for the same mark under the same class only on May 29, 2007. KPII's *Class 35 TM Application* is still pending²¹ application.

TKCL alleged that KECI's application for "*www.kolin.ph*" violated *Rule 306²² of the Implementing Rules and Regulations of the Intellectual Property Code (IRR-IPC)*, which proscribes the "*use of broad terms in identifying goods, business or services*" as it effectively denies other parties from opposing the registration proceedings due to lack of clarity of the goods or services included therein. TKCL stressed that as early as 1998,²³ it already had prior use of the "KOLIN" mark in its domain name "*www.kolin.ph*," for which it has paid the installation, registration and monthly recurring fees.

In sum, TKCL's appeal is based on the sole ground that:

THE OFFICE OF THE DIRECTOR GENERAL ERRED IN DISMISSING PETITIONER'S APPEAL AND AFFIRMING THE DECISION OF THE BLA DIRECTOR, WHICH IN TURN DISMISSED THE PETITIONER'S VERIFIED OPPOSITION ON PURELY TECHNICAL GROUNDS.

SP No. 122566

For its part, KECI in its *Petition for Review*,²⁴ seeks a review of ODG's *Assailed Pronouncement*, i.e., TKCL's trademark/registration for

20 Rollo of SP No. 122574, pp. 99-100.

21 Rollo of SP No. 122574, p. 45.

22 *Nota Bene*: This should have been Rule 417, and not Rule 306. This erratum was acknowledged by TKCL in its *Reply (Re: Comment on TKCL's Petition for Review)*, Rollo, SP No. 122574, p. 968.

23 Rollo of SP No. 122574, p. 48.

24 Rollo of SP No. 122566, p. 13.

the “KOLIN” mark refer to goods/services *not* related to KECI's goods/services covered by *Class 35 TM Application* and that the registration of “*www.kolin.ph*” in KECI's favor is *limited* to the services covered by KECI's *Class 35 TM Application* which pertains to use in the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under *Class 35* of the *NICE Classification*.²⁵

KECI alleged that TKCL's *Class 11 TM Application, i.e.,* various electrical appliances, including refrigerators, air-conditioners, among others, *are closely related* to KECI's goods/services covered by the latter's *Class 35 TM Application, i.e.,* business of manufacturing, importing, assembling or selling electronic equipment or apparatus. It likewise alleged that both TKCL and KECI's electronic products have the same descriptive characteristics; that both of them are engaged in the business of manufacturing and selling electrical product; that their products are not purchased for immediate consumption; and that their goods generally cater to the same target market involving the same fields of manufacture. KECI further alleged that the *Assailed Pronouncement*, would surely work injustice as it would nullify the protection which KECI seeks to derive from *Class 35 TM Application, Certificate of Registration No. 4-2007-005421, TA 4-2002-011003, Certificate of Registration No. 4-1993-087497,* and all other registrations and applications in KECI's name for “KOLIN” and other related marks.

In sum, KECI's appeal is based on the sole issue of:

“WHETHER THE HONORABLE DIRECTOR GENERAL OF THE IPO ERRED IN ITS FINDING THAT THE TRADEMARK APPLICATIONS OF RESPONDENT FOR THE MARK “KOLIN” REFER TO GOODS/SERVICES NOT RELATED TO PETITIONER'S GOODS AND SEVICES COVERED BY TRADEMARK APPLICATION NO. 20-2007-000009 FOR THE MARK *www.kolin.ph*.”

25 Rollo of SP No. 122566, p. 41.

Preliminarily, it is worth emphasizing that the crux of the controversy in both appeals revolve around the query on which among TKCL and KECI, have the right to register and use the mark "*www.kolin.ph*," consistent with its exclusive right to use the "*KOLIN*" mark, in relation to the goods/services covered by *Class 35 TM Application*. It is evident that the assailed *Decision* of the IPO's Director General zeroed in on the *Class 35 TM Application* and no other.

Anent TKCL's *Appeal in SP No. 122574*, this Court resolves the following issues: 1) Whether or not TKCL's failure to submit the original supporting documents in its *Opposition*, against KECI's *Trademark Application No. 20-2007-000009* for "*www.kolin.ph*," warrants outright dismissal; and 2) Whether or not KECI has the right to register and use the mark "*www.kolin.ph*," as its domain name.

Contrary to TKCL's claim, its subsequent submission of *most* of the originals and/or certified true copies of its documentary exhibits in its *Motion for Reconsideration*, does not constitute substantial compliance with the *Regulations*. Its firm stance in invoking substantial justice for the relaxation of the said *Regulations* is misplaced.

The assailed provision in *Office Order No. 79, Series of 2005, Rule 2*, provides:

"Section 7.1. The petition or *opposition, together with the affidavits of witnesses and originals of the documents and other requirements*, shall be filed with the Bureau, provided, that in case of *public documents, certified copies shall be allowed in lieu of the originals*. The Bureau shall check if the petition or opposition is *in due form* as provided in the *Regulations* particularly *Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4*. For petition for cancellation of layout design (topography) of integrated circuits, Rule 3, Section 3 applies as to the form and requirements. The affidavits, documents and other evidence shall be marked

consecutively as “Exhibits” beginning with the letter “A”.

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Section 7.3. *If the petition or opposition is in the required form and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the Inter Partes Case Number. Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.* [Emphasis Supplied.]

It is clear from the aforementioned provisions that the submission of the “documents and other requirements,” shall be filed with the *Bureau*, in their original, or certified copies (with respect to public documents,) and *not* mere photocopies, as in this case. This is a logical requirement considering that *Inter Partes* cases are summary in nature and, except for a preliminary conference, there are no hearings where the contending parties may challenge the due execution or authenticity of any document offered before the BLA-IPO.

Evidently, TKCL was aware of this requisite at the outset, even before it filed its *Opposition*. Records show that TKCL admitted that “it deemed it prudent to first retain the original copies of these documentary exhibits,” and that “it failed to indicate in both verified oppositions that original copies are available for immediate submission or comparison at the proper time.”²⁶

However, TKCL, insists that there is nothing in *Sections 7.1 and 7.3* in relation to *Rule 3, Section 3;*²⁷ *Rule 4, Section 2;*²⁸ *Rule 5, Section*

²⁶ *Appeal Memorandum*, Rollo of SP No. 122574, p. 158.

²⁷ “**Section 3. Requirement of the petition.** The petition for cancellation shall be in writing, verified by the petitioner or by any person in his behalf who knows the facts, specify the grounds upon which it is based, include a statement of the facts relied upon, and filed in triplicate with the Bureau. Copies of printed publications or of patents of other countries, and other supporting documents mentioned in the petition shall be attached thereto, together with the translation thereof in English, if not in the English language.”

²⁸ “**Section 2. Procedure for the cancellation of utility model.** The procedure for the cancellation of patent shall apply *mutatis mutandis* to the cancellation of utility model.”

3;²⁹ Rule 6, Section 9;³⁰ Rule 7, Sections 3 and 5;³¹ Rule 8, Sections 3 and 4³² of the 1998 Rules and Regulations on Inter Partes Proceedings (1998 RRIP), that provide that the failure to submit *original* documents and other requirements, in its *Opposition* constitutes its outright dismissal. TKCL avers that it is the absolute failure to comply with the specific provisions of 1998 RRIP, together with the failure to include a *Certification of Non-Forum Shopping*, which constitutes a ground for an outright dismissal. It goes on to say that the *Regulations* simply require that the *Opposition* be “*in due form*” for it not be dismissed.

This Court is not persuaded.

In order to put the subject provisions in their proper perspective, reference must be made to the rule of statutory construction that every part of the statute must be interpreted with reference to the context, *i.e.*, that every part of the statute must be considered together with the other parts, and kept subservient to the general intent of the whole enactment.³³

29 “**Section 3. Procedure.** The procedure prescribed by these Regulations in the cancellation of patent and utility model registration shall be applied mutatis mutandis in the cancellation of design registration.”

30 “**Section 9. Form and contents of petition.** The petition for compulsory licensing must be in writing, verified by the petitioner and accompanied by payment of the required filing fee. It shall contain the name and address of the petitioner as well as those of the respondents, the number and date of issue of the patent in connection with which compulsory license is sought, the name of the patentee, the title of the invention, the statutory grounds upon which compulsory license is sought, the ultimate facts constituting the petitioner’s cause of action, and the relief prayed for.”

31 “**Section 3. Contents of the notice of opposition.** Copies of certificates of registration of marks registered in other countries or other supporting documents mentioned in the opposition shall be filed with the opposition together with the translation in English, if not in the English language. **Section 5. Filing of an opposition in a form other than the original.** The party filing the opposition may submit an opposition in a form other than the original such as a facsimile copy or photocopy provided: (1) that such fax, photocopy or other form complies with the requirements of these Regulations and is filed within the period to file the notice of opposition or the verified opposition, or any extension thereof, (2) that the original copy of the verified opposition is filed within one (1) month from submission of the fax, photocopy or other form and, (3) that the original copy of the verified opposition is filed within the maximum period of four (4) months counted from the date of release of the IPO Gazette publishing the mark being opposed. In all cases, the notice to answer shall be sent to the applicant only upon the filing of the original copy of the verified opposition.”

32 “**Section 3. Contents of petition for cancellation.** The petition for cancellation shall give the name and address of the petitioner as well as those of the necessary party or parties respondent; and shall state the registration number and date of the registration sought to be cancelled; the name of the registrant; the statutory ground or grounds upon which cancellation is sought; the ultimate facts constituting the petitioner’s cause or causes of action and the relief sought. **Section 4. Verification of petition.** A petition for cancellation filed in triplicate shall be verified by the petitioner or by any person in his behalf who knows the facts.”

33 Citibank N.A. and the Citigroup Private Bank vs. Ester H. Tanco-Gabaldon, et.al., G.R. No. 198444, x---x Carol Lim vs. Ester H. Tanco-Gabaldon, et.al., G.R. No. 198469-70, September 4, 2013.

Sections 7.1, 7.3 and the specific provisions of 1998 RRIP, should be read together, and not in isolation. Although it is true that the second sentence of Section 7.1 seems to provide for the requirements of an Opposition “in due form,” i.e., compliance with Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4; this does not discount the important requisite for the submission of the “originals of the documents and other requirements,” as provided for in the first sentence of Section 7.1. Notably, when Section 7.3 speaks of “the required form” for the Opposition, it does not merely refer to the specific provisions of 1998 RRIP, but logically and naturally, includes the requirement of submitting the documents and other requisites in its original form as expressly mentioned in Section 7.1. Thus, non-compliance with the categorical requirements in Section 7.1 will result in the outright dismissal of the case – *without prejudice on its first dismissal, but with prejudice on its second dismissal* – as provided in Section 7.3.

TKCL's myopic view and truncated construction of the said provisions cannot be countenanced, lest it would amount to the disregard of the *Regulations* governing *Inter Partes* proceedings. Ineluctably, the clauses and phrases of those provisions must not be taken as detached and isolated expressions, but the whole and every part thereof must be considered in fixing the meaning of any of its parts in order to produce a harmonious whole.³⁴

This Court cannot take at face value the applicability of *Jobel vs. NLRC*,³⁵ a case cited by TKCL, to support its allegation, that the submission of the originals or certified true copies thereof in its *Motion for Reconsideration* is deemed to be substantial compliance.

It is clear that what was involved in the *Jobel Case* was not an original action, but a *Petition for Certiorari under Rule 65*, to the *Court of Appeals* which the latter refused to consider because the duplicate original or certified true copy of the assailed NLRC decision was

³⁴ Civil Service Commission v. Josen, G.R. No. 154674, May 27, 2004.

³⁵ G.R. No. 194031, August 8, 2011.

wanting, thus, violative of *Section 3, Rule 46* of the *Rules of Court*.

Indeed, as a mode of review, *Certiorari* under *Rule 65* is distinct from an original action such as the *Opposition* in this case. In the *Jobel Case*, the records from the NLRC are readily available for verification by the appellate court. The instant case pertains to an original action, *i.e.*, *Opposition*, where records are nonexistent, since it is the first time that the case is being instituted with the BLA-IPO.

Likewise, this Court deems inapplicable the case of *E.Y. Industrial Sales, Inc. and Engracio Yap vs. Shen Dar Electricity and Machinery Co., Ltd.*³⁶ cited by TKCL to justify the relaxation of the *Regulations*. In the cited case, the Petitioner neither filed nor submitted its marked evidence "as required in this *Bureau's Order No. 2006-157* dated January 25, 2006 in compliance with *Office Order No. 79, Series of 2005, Amendments to the Regulations on Inter Partes Proceedings*, having failed to formally offer its evidence during the proceedings before it." The Supreme Court found that there is no requirement under the said rules that the evidence of the parties must be formally offered to the BLA. It ruled that as long as the petition is verified and the pieces of evidence consisting of the affidavits of the witnesses and the *original* of other documentary evidence are attached to the petition and properly marked in accordance with *Secs. 7.1 and 8.1*, these shall be considered as the evidence of the petitioner. Verily, when the Supreme Court intoned that "*as a quasi-judicial agency and as stated in Rule 2, Sec. 5 Regulations on Inter Partes Proceedings, the BLA is not bound by technical rules of procedure,*" its basis was not merely on relaxing the rules based on substantial justice, but because of the fact that, indeed, "*there is no requirement under the abovementioned rules that the evidence of the parties must be formally offered to the BLA.*" Simply put, the Supreme Court did not read into those provisions what was not there in the first place.

In the present case, TKCL stretched the interpretation of *Sections 7.1, 7.3* and the specific provisions of *1998 RRIP*, to fit its

³⁶ G.R. No. 184850, October 20, 2010.

baseless contention that non-compliance with those provisions would not result in the outright dismissal of its *Opposition*. TKCL's plea for the liberal application of the *Regulations* and its invocation of substantial justice must fail to.

Consider these:

First, TKCL's claim that its non-compliance with the *Regulations*, was due to the fact that it had two *Opposition* cases and was confused as to which case the original documents should be submitted to,³⁷ can hardly be considered a justifiable and compelling reason. If the *Opposition* against *Class 35 TM Application (MNO 2008-065)* for the use of "*www.kolin.ph*," were that important, TKCL should have at least submitted with the BLA-IPO even just a single original or certified true copy of the documents in its *Opposition*. TKCL could have indicated in the other *Opposition* case, *MNO 2008-064*, that the originals were submitted in *Opposition* case, *MNO 2008-065*, and thereafter, made a reservation for its belated filing. But it neglected to do so.

Second, TKCL's admission that it made a reasonable attempt in complying with the *Regulations*, and failed only in "*adequately informing this Honorable Office of the availability of original exhibits...*"³⁸ clearly reveals that the documents in original form were already at its disposal. Yet, it never bothered to attach the same to its *Opposition*, and held on to its erroneous interpretation of the *Regulations*.

Third, TKCL's claim that it had difficulty in securing³⁹ the "*original copies of its documentary exhibits*" since the same were kept in its principal address located in Taipei, Taiwan, and that it failed "*through inadvertence...to indicate in both verified oppositions that 'original copies are available for immediate submission or comparison at the proper time,'*" are all but weak excuses. To be sure, records show that despite being given ample time of 120 days reckoned from the time of

37 *Appeal Memorandum*, Rollo of SP No. 122574, p. 170.

38 *Appeal Memorandum*, Rollo of SP No. 122574, p. 178.

39 *Appeal Memorandum*, Rollo of SP No. 122574, p. 170.

the subject mark's publication to file its *Opposition*, TKCL still failed to exert diligent efforts to obtain the original documents. Worse, it never attempted to secure even just certified true copies of said documents. This attitude cannot in any way justify the relaxation of the *Regulations*.

Finally, TKCL ought to remember that while administrative or quasi-judicial bodies like the BLA-IPO are not bound by the technical rules of procedure in the adjudication of cases, this procedural rule should not be construed as a license to disregard certain fundamental evidentiary rules.⁴⁰ TKCL's plea for the application of the principles of substantial justice in their favor deserves scant consideration. It should be reminded that technical rules may be relaxed only for the furtherance of justice and to benefit the deserving.⁴¹ The term "*substantial justice*" is not a magic wand that would automatically compel this Court to suspend procedural rules.⁴² While TKCL adverted to several jurisprudential rulings of the Supreme Court which set aside procedural rules, it is noted that there were underlying considerations in those cases which warranted a disregard of procedural technicalities to favor substantial justice. Here, as already elucidated earlier, there exists none.

At this point, the Court could very well write *finis* to TKCL's *Appeal*. However, in disposing the instant case, We shall discuss its substantive aspect.

Arguing mainly that KECI's application for the domain name, "*www.kolin.ph*," violates *Rule 417* of the trademark rules proscribing the "*use of broad terms in identifying goods, business or services*," TKCL reasons out that the mere publication of the mark does not excuse the said application from using broad terms.

40 Primo C. Miro, in his capacity as Deputy Ombudsman for the Visayas vs. Marilyn Mendoza vda. de Erederos, et.al., G.R. Nos. 172532, 172544-45 November 20, 2013.

41 Barangay Dasmariñas v. Creative Play Corner School, G.R. No. 169942, January 24, 2011, 640 SCRA 294, 306, citing Alfonso v. Sps. Andres, G.R. No. 166236, July 29, 2010, 626 SCRA 149.

42 Panay Railways Inc. vs. Heva Management and Development Corporation, et. al., G. R. No. 154061 January 25, 2012.

This postulate is not persuasive. The BLA-IPO, which has the expertise to rigorously screen applications, did not merely grant the application, but it thoroughly examined the same before allowing KECI to use the domain name. In fact, TKCL was given the opportunity to oppose the same, albeit unsuccessfully, due to its inadvertence in complying with the *Regulations*.

TKCL maintains that KECI's reliance on *COR 4-2007-005421*, is misplaced, considering that it filed *Application No. 4-2002-011003*, for the "KOLIN" registration under *Class 35*, on December 27, 2002, ahead of KECI who filed an application for the registration of the same mark, five years later, or on May 29, 2007.

This argument is specious.

Recall that the records are bereft of any evidence that TKCL was issued a *Certificate of Registration* for the use of the "KOLIN" mark under *Class 35*. Certainly, a mere application without proof that it was granted does not show that TKCL automatically had the right to use the said mark. On the contrary, the proof that KECI has the right to use the "KOLIN" mark under *Class 35*, is extant in the records of the case by virtue of *COR 4-2007-005421*, issued to it by the IPO on December 22, 2008.

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public.⁴³ A certificate of registration of a mark, once issued, constitutes *prima facie* evidence of the validity of the registration, of the registrant's ownership of the mark, and of 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.⁴⁴ Although this may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused, TKCL never rebutted the

43 *Berris Agricultural Co., Inc. vs. Norvy Abyadang*, G.R. No. 183404, October 13, 2010. [Emphasis Supplied.]

44 *Ibid.* (Berris Case.) [Emphasis Supplied.]

same. It did not interpose any opposition to said *Certificate*, and thus, is already *estopped* from questioning the same.⁴⁵

In a last ditch effort to appropriate the use of the "KOLIN" mark under *Class 35*, TKCL alleges that the said mark is considered as an "internationally well-known" mark, thus, preventing KECI's registration of the domain name, "*www.kolin.ph*."

This, too, is a specious argument.

*Section 123.1(e) of R.A. No. 8293 now categorically states that "a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here," cannot be registered by another in the Philippines.*⁴⁶ *Section 123.1(e) does not require that the well-known mark be used in commerce in the Philippines but only that it be well-known in the Philippines. This is in relation to Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, which implement R.A. No. 8293.*⁴⁷

The essential requirement is that the trademark to be protected must be "*well-known in the country where protection is sought.*"⁴⁸ The power to determine whether a trademark is well-known lies in the

45 Ibid. (Berris Case.)

46 Fredco Manufacturing Corporation vs. President and Fellows of Harvard College (Harvard University), G.R. No. 185917, June 1, 2011. [Emphasis Supplied.]

47 "Rule 102. Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account – (a) 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; (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies; (c) the degree of the inherent or acquired distinction of the mark; (d) the quality-image or reputation acquired by the mark; (e) the extent to which the mark has been registered in the world; (f) the exclusivity of registration attained by the mark in the world; (g) the extent to which the mark has been used in the world; (h) the exclusivity of use attained by the mark in the world; (i) the commercial value attributed to the mark in the world; (j) the record of successful protection of the rights in the mark; (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and (l) the presence or 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."

48 Sehvani, Incorporated and/or Benita's Frites, Inc., vs. In-N-Out Burger, Inc., G.R. No. 171053, October 15, 2007. [Emphasis Supplied.]

"competent authority of the country of registration or use."⁴⁹ The question of whether or not TKCL's "KOLIN" mark is considered "well-known" is factual in nature,⁵⁰ involving as it does the appreciation of evidence adduced before the BLA-IPO. However, records do not show that BLA-IPO and/or the IPO's Director General, had, at any time, declared the "KOLIN" mark in TKCL's favor as a "well-known" mark, either internationally or in the Philippines. On this aspect alone, TKCL's argument deserves scant consideration. Furthermore, in one of its decisions, *i.e.*, *Decision No. 2002-46 in Inter Partes Case No. 14-1998-00050* dated December 27, 2002,⁵¹ the IPO ruled that:

"xxx the fact that the Opposer has registered the mark "KOLIN" in Taiwan, republic of China, its country of origin and in Mainland China and had actually used the said mark on its goods in the said territories, could not take precedence over prior actual use of the same mark by another person or entity in the Philippines.

As held in *Sterling Products International, Inc. vs. Farbenfabriken A.G.* (44 SCRA 1226-1227), the Supreme Court said:

"The United States is not the Philippines. Registration in the United States is not the registration in the Philippines xxx"

xxx-xxx-xxx

The IPO, in the same decision, likewise stated that:

"xxx even considering that Opposer is entitled to the protection afforded by the Paris Convention on well-known mark *which it is not* since it is neither a member nor a signatory to the Paris Convention, from the set [sic] evidence presented by it, nothing indicate [sic] that Opposer met the criteria provided for as a condition sine qua non for the application of the Paris Convention nor has Opposer satisfied the requirements of Sec. 123 (e) of R.A. 8293 with respect to well-known marks. xxx" [Emphasis Supplied.]

49 Ibid. (Sehwani Case.)

50 Ibid. (Sehwani Case.)

51 As mentioned in KECI's *Comment (To Appeal Memorandum dated 21 May 2009)*, Rollo of SP No. 122574, pp. 217, 222-223.

Indubitably, on the basis of the above disquisitions, TKCL cannot, categorically assert that its "KOLIN" mark is "well-known," so as to preclude KECI from using "www.kolin.ph," as its domain name.

Anent KECI's *Appeal* in **SP No. 122566**, the resolution of the issue therein is the repose to the query: Was ODG's *Assailed Pronouncement*, i.e., TKCL's trademark/registration for the "KOLIN" mark refer to goods/services *not* related to KECI's goods/services covered by *Class 35 TM Application* and that the registration of "www.kolin.ph" in KECI's favor is *limited* to the services covered by KECI's *Class 35 TM Application* which is use in the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under *Class 35* of the *NICE Classification*, erroneous?

We answer in the negative.

First, the subject matter of the ODG's *Decision*, pertains only to KECI's *Class 35 TM Application* in relation to the use of the domain name, "www.kolin.ph," and did not involve any other kind of registrations and applications for the "KOLIN" mark, albeit in KECI's favor. The records do not reveal that KECI filed an application for the use of "www.kolin.ph," to be use for goods under other classifications. And, as explained by the ODG, KECI's right to use "www.kolin.ph," springs forth from its having been granted *COR 4-2007-005421* for *Class 35 TM Application*. Thus:

"...the Appellee [KECI] was issued 22 December 2008 a certificate of registration for KOLIN for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus. This certificate of registration is valid for ten (10) years from the date of issuance and entitles the Appellee to the exclusive right to use KOLIN in relation to the goods/services covered by the registration. xxx"⁵²

52 Rollo of SP. 122574, p. 15.

Second, KECI's apprehension that the *Assailed Pronouncement* would nullify the protection which KECI seeks from its other registrations and applications in its name for "KOLIN" and other related marks, is more apparent than real.

Recall that TKCL was also granted the right to use the "KOLIN" mark, not for *Class 35 TM Application*, but for *Class 11 TM Application* and *Class 21 TM Application*. In both applications, KECI was accorded due process when it was allowed to oppose the same, although the same was denied by the BLA-IPO. Needless to say, with respect to *Class 11 TM Application*, TKCL was the first registrant, since it filed an application for the "KOLIN" mark earlier or prior to KECI.⁵³ Just as TKCL should respect KECI's right over the "KOLIN" mark for *Class 35 TM Application*, so should the latter give due deference to the former's right over the "KOLIN" mark for *Class 11 TM Application*, and *Class 21 TM Application*. This was recognized by the ODG when it held that, "This Office is not unmindful of the Appellant's (TKCL) own trademark applications/registration also for the mark KOLIN."⁵⁴

Finally, as correctly acknowledged by KECI itself, its *Class 35 TM Application* has been the "the subject of stringent examination by the examiner-in-charge"⁵⁵ and that it successfully traversed all objections thereto. Indeed, administrative agencies, such as the IPO, by reason of their special knowledge and expertise over matters falling under their jurisdiction, are in a better position to pass judgment,⁵⁶ on the issue of KECI's usage of "www.kolin.ph," which is limited to services covered by *Trademark Application No. 20-2007-000009* and falling under *Class 35 of the NICE Classification*. Thus, their findings of fact in that regard are generally accorded great respect, if not finality by the courts, as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant.⁵⁷

53 *Comment (Re: KECI's Petition for Review dated 5 January 2012 in CA-GR. SP No. 122566)*, Rollo, p. 909.

54 Rollo of SP No. 122566, p. 64.

55 *KECI's Comment*, Rollo of SP No. 122566, p. 327.

56 *Berris Agricultural Co., Inc., vs. Norvy Abyadang*, G.R. No. 183404, October 13, 2010.

57 *Ibid.* (Berris Case.)

WHEREFORE, both *Petitions for Review* under *Rule 43* are **DENIED**. The *Decision* dated November 23, 2011, issued by Ricardo R. Blancaflor, Director General of the Intellectual Property Office (IPO), in *Appeal No. 14-09-40*, entitled, *Taiwan Kolin Corp., Ltd. represented by herein Kolin Philippines International, Inc. vs. Kolin Electronics Co., Inc.*, is hereby **AFFIRMED**.

SO ORDERED.

NOEL G. TIJAM

Associate Justice

WE CONCUR:

MARIO V. LOPEZ

Associate Justice

MYRA V. GARCIA-FERNANDEZ

Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the court.

NOEL G. TIJAM

Associate Justice

Chairperson, Sixth Division

DECISION

CA-G.R. SP Nos. 122566 and 122574

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