



BRIDGESTONE CORPORATION,
Petitioner,

-versus-

DEESTONE LIMITED,
Respondent-Registrant.

}
}
}
}
}
}
}
}
}
}
}
}
}

IPC No. 14-2010-00110
Cancellation of:
Reg.No.4-2002-008942
Date Issued: 11 August 2005
TM: "DEESTONE"

x-----x

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES

Counsel for Petitioner
Suite 2004 & 2005, 88 Corporate Center
141 Valero corner Sedeno Sts.
Salcedo Village, Makati City

ANGARA ABELLO CONCEPCION REGALA & CRUZ

Counsel for Respondent-Registrant
22nd Floor, ACCRALAW Tower
Second Avenue corner 30th Street
Crescent Park West, Bonifacio Global City
0399 Taguig, Metro Manila

GREETINGS:

Please be informed that Decision No. 2015 - 87 dated May 11, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 11, 2015.

For the Director:


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



BRIDGESTONE CORPORATION,
Petitioner,

IPC No. 14-2010-00110

- versus -

Cancellation of:
Reg. No. 4-2002-008942
Date Issued: 11 August 2005
Trademark: "DEESTONE"

DEESTONE LIMITED,
Respondent-Registrant.

Decision No. 2015 - 87

x ----- x

DECISION

BRIDGESTONE CORPORATION ("Petitioner"),¹ filed a petition for cancellation of Trademark Registration No. 4-2002-008942. The registration, issued to DEESTONE LIMITED ("Respondent-Registrant")², covers the mark "DEESTONE" for use on goods namely: *"automobile tyres; motorcycle tyres; bicycle tyres; inner tubes for automobile tyres; inner tubes for motorcycle tyres; inner tubes for bicycle tyres; automobile wheel covers"* under class 12 of the International Classification of Goods³.

The Petitioner alleged the following:

"Petitioner believes that as the true and registered owner, and prior user of the well-known trademarks BRIDGESTONE and variations thereof used on tire and tire products, the registration of the challenged trademarks DEESTONE for tires and tire products also in the name of the Respondent (a) is damaging and prejudicing the rights and interests of the Petitioner for being confusingly similar to said BRIDGESTONE; (b) is used to misrepresent the source of the goods and services on, or in connection with which the mark is used; and (c) was obtained fraudulently or contrary to the provisions of Republic Act 8293 or the Intellectual Property Code of the Philippines ('IP Code') in regard to what trademark may or may not be registered.

"Grounds:

"a. It has already been declared as the exclusive owner of the trademark BRIDGESTONE for tire products as finally adjudicated in Decision No. 2008-48, which decision also ruled with finality that BRIDGESTONE is a well-known mark for tires, and more importantly, that the S-T-O-N-E element therein is a protected element which, if copied by another, will render such copy as not registrable. As such, under Secs. 147.1 an 147.2 of the Intellectual Property Code (or 'IP Code'), it has exclusive right to prevent others from using a mark identical or confusingly similar to BRIDGESTONE both for related and unrelated goods or services, and particularly, from using the S-T-O-N-E element, such as the DEESTONE in the instant challenged trademark registration.

¹ A corporation duly organized and existing under the laws of Japan, with principal office at 10-1 Kyobashi 1-Chome, Chuo-ku Tokyo, Japan.

² With address at 84 Soi Sinprasong, Moo 7, Petchiksaem Rd., Oamnoi, Krathumban, Samutsakorn, 74130 Thailand.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

"b. DEESTONE is confusingly similar to BRIDGESTONE for having incorporated the S-T-O-N-E element, following jurisprudence in said Decision No. 2008-48 that declared RIVERSTONE as confusingly similar to Petitioner's BRIDGESTONE precisely for incorporating this S-T-O-N-E element, and thus, its registration can be prevented by Petitioner under Secs. 147.1 and 147.2 of the IP Code, as well as Sections 123.11(d), 123.1(e), and 123.1(f) of the IP Code.

"c. Petitioner's BRIDGESTONE is already identified in the public mind as the mark of Petitioner's well-known tires, and therefore, whether it is registered or not, it is entitled to protection under Section 123.1(e) and (f) and under Sec. 168.1 of the IP Code as against the confusingly similar DEESTONE.

"d. BRIDGESTONE is also the corporate name of Petitioner and hence, it must be protected as against the confusingly similar DEESTONE trademark, under Section 165 of the IP Code.

"e. Respondent's use and registration of the DEESTONE in the face of Petitioner's well-known trademarks BRIDGESTONE and FIRESTONE, will diminish the distinctiveness and dilute the goodwill of said well-known trademark and variations thereof.

The Petitioners' evidence consist of the following:

1. Certified true copy (Ctc) of Decision No. 2008-48 and the Entry of Judgment by the Bureau of Legal Affairs (BLA);
2. Ctc of Decision No. 2009-106 by the BLA;
3. Affidavit of Jan Abigail L. Ponce;
4. Special Power of Attorney;
5. Ctc of Phil. Certificates of Trademark Registrations for BRIDGESTONE;
6. Ctc of IPC No. 14-2006-00199 for RIVERSTONE;
7. Ctc of Affidavit of Masao Kobayashi;
8. Ctc of Affidavit of Atty. Jan Abigail Ponce;
9. List of all trademark applications and registrations for FIRESTONE;
10. List of all trademark applications and registrations for BRIDGESTONE";
11. List of all domain names owned by Opposer or related companies which contains the word BRIDGESTONE or its derivative;
12. Printouts of all advertising and promotions of BRIDGESTONE;
13. Affidavit of Use for BRIDGESTONE;
14. Invoice Nos. 6B92PHI and 62AXK63 for tires, tire tube and flap;
15. Sample of promotional materials;
16. Bridgestone search and results from www.ebay.p and www.ebay.com;
17. Photographs of Bridgestone products;
18. Registrations for BRIDGESTONE from different countries;
19. Photographs of BRIDGESTONE Tire Showroom;
20. Annual Reports for 2000-2005;
21. News reports, articles and magazines for BRIDGESTONE;
22. BRIDGESTONE's Corporate Data for 2006;
23. Photographs of BRIDGESTONE Philippine outlets;
24. List of BRIDGESTONE Philippine stores;
25. Search results of www.ebay.ph and www.ebay.com;

26. Printout of www.bridgestone.com;
27. Newspaper articles;
28. Affidavit of Yusuhiro Takeda;
29. Ctc of BRIDGESTONE's registrations in Class 12;
30. Ctc of database list of all BRIDGESTONE registrations and applications worldwide;
31. Ctc of FIRESTONE registrations in Class 12;
32. Ctc of database list of all FIRESTONE registrations and applications worldwide;
33. Decisions D2003-0798 and D2004-0736 issued by WIPO;
34. Certificate of Recognition of a well-known trademark for BRIDGESTONE and Opposer with Reg. No. KorChorpor.75; and,
35. BRIDGESTONE Sales Data for 2010.

On 25 April 2011, Respondent-Registrant filed its Answer containing among others the following Affirmative Allegations:

"5. Respondent-Registrant is the owner of the marks 'DS DEESTONE' & DEVICE bearing Application No. 4-2008-011665 and 'DEESTONE' bearing Registration No. 4-2002-008942 (collectively referred herein as the 'DEESTONE MARKS').

"6. Respondent-Registrant is a legitimate corporation and has existed since 1977. x x x

Since 1977 up to the present, through the forgoing milestones, Respondent-Registrant has been using the DEESTONE MARKS and/or its variants for goods involving tires. Clearly, Respondent-Registrant is a legitimate enterprise which has built its own reputation for quality products involving the DEESTONE MARKS and their variants.

"7. By using the DEESTONE MARKS and/or its variants for more than three (3) decades, Respondent-Registrant has firmly established its goodwill over the said marks in various parts of the world. This goodwill is coupled by quality products that are compliant with, among others, the following quality standards:

- a. E-Mark standard in the European Union;
- b. Department of Transportation standard in the U.S.A.;
- c. Standards & Industrial Research Institute of Malaysia;
- d. INMETRO (National Institute for Standards) standard in Brazil; and
- e. Attained ISO 9001:2000 certification from TUV NORD, a multinational consulting firm.

"8. Being one of the leaders in the tire industry, Respondent-Registrant manufactures and sells the following products which bear the DEESTONE MARKS and/or its variants in its portfolio:

- a. Radial tires for cars;
- b. Bias tires for agricultural, go-kart, industrial, off-road, passenger car, trailer, truck, and bus vehicles;
- c. Motorcycle tires; and
- d. Bicycle tires.

"9. Among the countries where these products are made available are:

- a. Thailand;
- b. Philippines;
- c. U.S.A.;
- d. Malaysia;
- e. U.A.E.;

- f. European union countries;
- g. South Africa; and
- h. Indonesia.

"10. As a testament to the well-known status and substantial goodwill that Respondent-Registrant has established over its DEESTONE MARKS in the Philippines, it has made the following substantial sales in the Philippines, already reaching in the hundreds of millions of Pesos.

The substantial volume of tires bearing the DEESTONE MARKS that were delivered to the Philippines is further evidenced by the attached copies of various shipping documents from 2005 to 2010. This volume of 'DEESTONE' tires firmly establish the fact that Respondent-Registrant has generated goodwill over the DEESTONE MARKS.

"11. Due to the high demand for its tires bearing the DEESTONE MARKS, Respondent-Registrant has numerous distributors in the Philippines, x x x

"12. Respondent-Registrant has also engaged in extensive worldwide advertising of its goods bearing the DEESTONE MARKS and its variants. In the Philippines alone, it has advertised said marks in various signages, trucks, shirts, ad posters. x x x

"14. Highlighting the lack of basis for the instant case, the DEESTONE MARKS, particularly the Thai Trademark Registrar Application No. 650418, has been the subject of opposition by 'BRIDGESTONE' Corporation. In resolving the opposition, the Thai Trademark Registrar, through its Decision No. 129/2551, ruled that there can be no likelihood of confusion between 'DEESTONE' and 'BRIDGESTONE' as they are visually and aurally different. x x x

"15. Also, the National Office of Intellectual Property of Vietnam issued a Decision dated 22 September 2010 likewise ruling that the mark DEESTONE is not confusingly similar to the mark BRIDGESTONE.

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

1. Affidavit of Vanlaya Vongsariyavanich and Kornwika Vongsariyavanich;
2. Philippine sales figures signed by Director Vanlaya Vongsariyavanich;
3. Copies of shipping documents from 2005 to 2010;
4. Photographs of Respondent's various advertising paraphernalia;
5. Thai Trademark Registrar Decision No.129/2551 and its English translation; and,
6. Ctc of Vietnam Decision and its English translation.

On 09 May 2011, the Petitioner filed its Reply stating the following: (1) Deestone's claim of ownership over the DEESTONE name is a bad faith claim; (2) The alleged goodwill over its DEESTONE mark cannot legitimize a blatant infringement of the BRIDGESTONE mark. (3) The Thai decision, which is a hometown decision, and the Vietnamese decision, have no binding effect in the Philippines; (4) No fatal defect can be attributed to the lack of a Secretary's Certificate; (5) The BLA has indeed recognized BRIDGESTONE as well known; (6) Bridgestone has fully complied with the requirement to submit only 'certified copies' of its Exhibits; (7) There is confusing similarity between DEESTONE and BRIDGESTONE arising from the adoption of the STONE in BRIDGESTONE; (8) Deestone lies when its claims it has been in existence as Deestone since 1977; (9) Respondent-Registrant's corporate name, being a copy of the BRIDGESTONE mark is not entitled to protection; and, (10) It is Respondent-Registrant who failed to present evidence in support of its many assertions such as the first use and its claim on high sales and patronage of its DEESTONE product in the Philippines.

Respondent-Registrant on the other hand, filed its Rejoinder on 24 May 2011, alleging the following: (1) The instant case should be dismissed outright, there being no Secretary's Certificate or Board Resolution evidencing the corporation's authorization to file the instant petition, and the Special Power of Attorney (SPA) cannot suffice to replace a Secretary's Certificate or Board Resolution as the said SPA does not evidence any Board Resolution by the Petitioner; (2) While Respondent-Registrant has been using the DEESTONE mark since 1977, Petitioner never made any protest nor took legal action against Respondent-Registrant despite the latter's aggressive worldwide expansion; (3) The Vietnamese and Thai Decisions firmly evidence the absence of confusion between the marks BRIDGESTONE and DEESTONE; (4) Petitioner has not presented any evidence to support its claim that its mark 'BRIDGESTONE' is well-known; (5) The Decisions cited by Petitioner never declare the BRIDGESTONE mark as well-known; and, (6) There is no confusion between the parties' mark.

Preliminary conference was conducted and parties submitted their respective Position Papers. Hence, this case is submitted for decision.

Should Respondent-Registrant's trademark DEESTONE be cancelled?

Firstly, the Respondent-Registrant raised the issue that the instant petition should be dismissed on the ground that there is no Secretary's Certificate or Board Resolution evidencing the corporation's authorization to file the instant petition, and the Special Power of Attorney (SPA) cannot suffice to replace a Secretary's Certificate or Board Resolution as the said SPA does not constitute as evidence of any Board Resolution by the Petitioner;

The records show that Eiji Mineki, holding the position of Director of herein Petitioner BRIDGESTONE CORPORATION, executed a duly authenticated and legalized Special Power of Attorney⁴ in favor of the FEDERIS & ASSOCIATES Law Office or any of its lawyers. In this regard, the said law office was authorized by the former to do and perform acts and things necessary in the filing and prosecution of actions in behalf of BRIDGESTONE CORPORATION and other matters related but not limited to this instant case.⁵

In *Cana v. Evangelical Free Church of the Philippines*⁶, the Supreme Court upheld the subsequent submission of the authority granted to respondent's counsel to sign the certification as substantial compliance. It ruled that:

"Circular 28-91 was prescribed by the Supreme Court to prohibit and penalize the evils of forum shopping. We see no circumvention of this rationale if the certificate was signed by the corporation's specifically authorized counsel, who had personal knowledge of the matters required in the Circular. x x x

Indeed, while the requirement as to certificate of non-forum shopping is mandatory, nonetheless the requirements must not be interpreted too literally and thus defeat the objective of preventing the undesirable practice of forum shopping."

Applying the same in the instant case, the documents consisting of the said Special Power of Attorney executed by Eiji Mineki; and the Verification and Certification executed by Atty. Jan Abigail L.

⁴ Dated 06 May 2010; Exhibit "D" of Petitioner.

⁵ Exhibit "D" of Petitioner.

⁶ G.R. No. 157573, 11 February 2008, citing *BA Savings Bank v. Sia*, 336 SCRA 484 (2000).

Ponce, an Associate Lawyer of Federis & Associates Law Offices, amounts to substantial compliance of the requirement.⁷

Going to the merits of the case, records reveal that at the time Respondent-Registrant filed an application for registration of the mark DEESTONE on 18 October 2002, and issued certificate of registration on 11 August 2005⁸, the Petitioner has valid and existing registration of the marks "BRIDGESTONE" and "FIRESTONE" issued as early as 27 June 1988⁹ and 24 March 1996,¹⁰ respectively.

To determine whether the marks of Petitioner and Respondent-Registrant are confusingly similar, the competing marks are shown hereafter for comparison:

BRIDGESTONE

FIRESTONE

Petitioner's Trademarks

DEESTONE

Respondent-Registrant's Trademark

It appears that the Petitioner's mark consistently used the word "STONE" in its marks. The word "stone", although a common English word, is not descriptive or generic as to tire or tube products and hence, considered a distinctive mark. Thus, the Respondent-Registrant cannot be allowed to use the same element as it emerges as the prevalent feature of the marks. While there are words and/or letters which

⁷ Mary Louise Anderson v. Enrique Ho, G.R. No. 172590, 07 January 2013.

⁸ Filewrapper Records.

⁹ Exhibit "E" to "E-5" of Petitioner.

¹⁰ Exhibit "I" of Petitioner.

are different in the competing marks, this cannot eradicate the probability of confusion and/or deception on the purchasing public. As the Supreme Court in *Acoje Mining Co., Inc. vs. The Director of Patents*¹¹:

In the language of Justice J.B.L. Reyes, who spoke for the Court in *American Wire & Cable Co. v. Director of Patents*: 'It is clear from the above-quoted provision that the determinative factor in a contest involving registration of trade mark is not whether the challenging mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. x x x'

That the Petitioner's marks begin with either the words "FIRE" or "BRIDGE" while that of the Respondent-Registrant's with the word "DEE" is of no consequence. There is the likelihood of the consumers being confused. Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other.¹²

The likelihood of confusion is underscored by the fact that the competing marks pertain to the same goods, i.e. tires and tubes. Thus, it is highly probable that the purchasers would be led to believe that Respondent-Applicant's mark is a mere variation of Opposer's mark. Succinctly, 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:¹³

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.

Furthermore, this Bureau has previously sustained the Oppositions for registration of trademarks also appropriating the word "STONE". In Inter Partes Case No. 14-2006-00199 entitled "Bridgestone Corporation vs. Richard D. Uy"¹⁴, this Bureau held that:

"The STONE element in Respondent-Applicant's RIVERSTONE is identical to the BRIDGESTONE and FIRESTONE trademarks owned and unabandoned by the Opposer that included the STONE component. As such, Respondent-Applicant's use and application of RIVERSTONE in connection with tire of Respondent-Applicant results in a misappropriation of the very component of the Opposer's trademarks, the suffix STONE is present and prominent in both BRIDGESTONE and FIRESTONE trademarks of Opposer.

Considering that the goods of Opposer vis-a-vis Applicant's products are the same in that they deal mainly with TIRES falling under Class 12 of the International Classification of Goods, thus, applying these competing marks to the same goods which passed through the same channels of trade and marketed similarly, may lead to confusion in trade and would damage Opposer's goodwill or reputation which it has painstakingly earned and established for many years in the Philippines alone."

¹¹ G.R. No. L-28744, 29 April 1971.

¹² Societe des Produits Nestle, S.A. vs. Court of Appeals, G.R. No. 112012, 04 April 2001.

¹³ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

¹⁴ Decision No. 2008-48, 24 March 2008.

This Bureau is consistent when in Inter Partes Case No. 14-2008-00068 entitled Bridgestone Corporation vs. Shandong Chengsan Tyre co., Ltd." and in Inter Partes Case No. 14-2013-00428 entitled "Bridgestone Corporation vs. Jianxin Rubber (Fujian) Co., Ltd.", it sustained the oppositions to the registration of the marks "AUSTONE" and "R-STONE", respectively.

Finally, 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.¹⁵ Based on the foregoing, Respondent-Registrant's trademark fell short in meeting this function.

Accordingly, this Bureau, finds and concludes that the Respondent-Registrant's trademark application is proscribed by Sec. 123.1(d) of the IP Code, which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to likely deceive or cause confusion.¹⁶

WHEREFORE, premises considered, the instant Petition for the Cancellation of Trademark Registration No. 4-2002-008942 is hereby **GRANTED**. 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, 11 May 2015.


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

¹⁵ 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).

¹⁶ Great White Shark Enterprise vs. Danilo M. Caralde, Jr., G.R. No. 192294, 21 November 2012.