



**THE TIRE RACK, INC.,**  
Petitioner,

**-versus-**

**ARMSTRONG ENTERPRISES CO. INC.,**  
Respondent-Registrant.

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**IPC No. 14-2010-00242**  
Cancellation of:  
Reg. No. 4-2007-013372  
Date Issued: 03 May 2009  
TM: "TYRE RACK"

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**NOTICE OF DECISION**

**QUISUMBING TORRES**  
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**GREETINGS:**

Please be informed that Decision No. 2015 - 84 dated May 12, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 12, 2015.

For the Director:

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



**THE TIRE RACK, INC.,**  
Petitioner,

- versus -

**ARMSTRONG ENTERPRISES CO. INC.,**  
Respondent-Registrant.

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**IPC No. 14-2010-00242**

Cancellation of:

Reg. No. 4-2007-013372

Date Issued: 03 May 2009

Trademark: **"TYRE RACK"**

Decision No. 2015 - 84

## DECISION

THE TIRE RACK, INC., ("Petitioner")<sup>1</sup> filed a petition for cancellation of Trademark Registration No. 4-2007-013372. The registration, issued to ARMSTRONG ENTERPRISES CO. INC. (Respondent-Registrant)<sup>2</sup>, covers the mark "TYRE RACK" for use on the following classes of goods<sup>3</sup>: **04** namely: *industrial oils and greases; lubricants; dust absorbing; wetting and binding compositions; fuels (including motor spirit) and illuminants; candles and wicks for lighting;* **07** namely: *machines and machine tools; motors and engines (except land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs;* **12** namely: *vehicles; motor cars for land transport; wagons; automobile chassis; wheel hub caps for automobiles; motors for land vehicles; vehicle bodies namely, automobile bodies; motor car doors; steering wheels for automobiles; anti-theft devices for motor cars; vehicle wheel inner tubes and tires; retreaded tires; treads used to retread tires; repair outfits for inner tubes and tires namely, tire patching kits comprising tire patches, tire pumps, valve stems for vehicle tires, vehicle tire valve stem caps, tire liners, tire retreading caps, tire valves, adhesive rubber patches for repairing tubes or tires, inner tubes for vehicle tires; inner tube and tire patching equipment namely, tire patches, tire pumps, valve stems for vehicle tires, vehicle tire valve stem caps, tire liners, tire retreading caps, tire valves, adhesive rubber patches for repairing tubes or tires;* **35** namely: *advertising; business management; business administration; office functions;* and, **37** namely: *building construction; repair; installation services.*

The following are the pertinent allegations of the petition:

"1. The registration of the mark subject of this opposition is contrary to the provisions of Sections 123.1 (d), (e) and (f) or Republic Act No. 8293, as amended, which prohibit the registration of a mark.

"2. The Petitioner is the owner of the well-known mark the TIRE RACK. The marks The Tire Rack and Tire Rack are registered in the name of the Petitioner in various trademark registries around the world. In the Philippines, the mark THE TIRE RACK is registered in the name of Petitioner with Registration No. 4-2005-012388 filed on 16 December 2005 and registered on 02 April 2007 under class 35 for mail order, retail store and on-line store services featuring automotive wheels and tires, brakes, shocks, springs, brake pads, specialty headlamps, wiper blades, flog lamps, fender skirts, automotive body kits and after-market automotive parts.

<sup>1</sup> With address at 7101 Vorden Parkway, South Bend, Indiana 46628-8422.

<sup>2</sup> With address at 347 Ortigas Avenue, Mandaluyong City.

<sup>3</sup> The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

"3. The words TYRE RACK appearing in the Respondent-Registrant's mark resembles the Petitioner's THE TIRE RACK mark as to be likely to deceive or cause confusion. Also, the Respondent-Registrant's mark is used on goods and services that are identical, similar or closely related to the services on which the Petitioner uses THE TIRE RACK mark, i.e., sale of automotive and tire products. Hence, the registration of the Respondent-Registrant's mark is contrary to Section 123.1 (d) of Republic Act No. 8293.

"4. Respondent-Registrant's TYRE RACK mark is confusingly similar to the Petitioner's THE TIRE RACK mark.

x x x

"6. The copying of the Petitioner's well known mark TIRE RACK by the Respondent lead to no other conclusion than that the act of Respondent was not only malicious and deliberate but also made in evident bad faith.

x x x

"9. The Petitioner's marks THE TIRE RACK and TIRE RACK are well-known and world famous mark. Hence, the registration of the Respondent-Registrant's mark TYRE RACK will constitute a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Sections 3 and 123.1 (e) of Republic Act No. 8293.

"10. The Petitioner has used and continues to use the marks THE TIRE RACK and TIRE RACK in numerous countries worldwide prior to the filing date of the mark subject of this Petition.

"11. The Petitioner has also extensively promoted the mark THE TIRE RACK and TIRE RACK worldwide. Over the years, the Petitioner has obtained significant exposure for the goods upon which the marks THE TIRE RACK and TIRE RACK are used in various media, including television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events. The Petitioner also maintains an Internet site at the domain name www.tirerack.com."

The Petitioner's evidence consists of the following:

1. Notarized and legalized Petition for Cancellation;
2. Affidavit of Thomas F. Veldman;
3. Print-outs of the on-line store of Petitioner;
4. Marketing materials used in the promotion of THE TIRE RACK;
5. Details on the applications and registrations of THE TIRE RACK and TIRE RACK marks worldwide;
6. Certificate of Thomas F. Veldman's authority to verify Petition and execute CNFS;
7. Philippine Certificate of Registration No. 4-2005-012388 for THE TIRE RACK in class 35;
8. Canadian Certificate of Registration Nos. 565,804 and 627,856 for THE TIRE RACK mark;
9. United States Certificate of Registration Nos. 1,414,570 and 2,812,285 for THE TIRE RACK mark;
10. OHIM Certificate of Registration Nos. 000708255 and 002851939 for THE TIRE RACK mark.

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 24 January 2011. Respondent-Registrant however, did not file an answer. Thus, this case is deemed submitted for decision.

Should Respondent-Registrant's trademark TYRE RACK 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>

Records show that at the time the Respondent-Registrant was issued registration for its trademark TYRE RACK on 03 May 2009<sup>5</sup>, herein Petitioner has already an existing registration for its trademark THE TIRE RACK on 02 April 2007<sup>6</sup>. It has also prior foreign registrations of its mark in Canada,<sup>7</sup> United States<sup>8</sup> and OHIM.<sup>9</sup>

The following marks are hereby reproduced for comparison:

**THE TIRE RACK**

Petitioner's Trademark

**TYRE RACK**

Respondent-Registrant's Trademark

The competing marks are practically identical. The slight difference in the font and in the letter I in the word TIRE of the Petitioner's mark, which is changed to letter Y in the word TYRE of the Respondent-Registrant's mark is insignificant, as it does not make any distinction in both sound and

<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).

<sup>5</sup> File wrapper records.

<sup>6</sup> Exhibit "D" of Petitioner.

<sup>7</sup> Exhibit "E" of Petitioner.

<sup>8</sup> Exhibit "F" of Petitioner.

<sup>9</sup> Exhibit "G" of Petitioner.



appearance of the marks. Moreover, the goods covered by Respondent-Registrant's TYRE RACK is similar and/or related to that of the Petitioner. There is therefore the likelihood of the consumers having the impression that the parties and their respective goods are connected to each other. Sec. 123.1 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Cod") provides:

Sec. 123. Registrability. - 123.1. 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;  
(Emphasis Supplied)

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<sup>10</sup>, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Hence, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>11</sup>

In addition, this Bureau finds that that the subject mark TYRE RACK appears prominently similar in Opposer's tradename<sup>12</sup>, THE TIRE RACK INC. As such, Sec. 165 of the IP Code protects the prior user, which in this case is the Petitioner, for the use of said tradename, to wit:

165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

<sup>10</sup> Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, 08 January 1987.

<sup>11</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

<sup>12</sup> Sec. 121.3, IP Code 'Tradename' means the name or designation identifying or distinguishing an enterprise.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.


The field from which a person may select a trademark is practically unlimited. As in all cases of colourable imitation, the unanswered riddle is why, of the million of terms and combination of letters and designs available, the Respondent-Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>13</sup>

It is stressed that the Law on Trademarks and Tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing other business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another.

**WHEREFORE**, premises considered, the instant Petition for the Cancellation of Trademark Registration No. 4-2007-013372 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, 12 May 2015.

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

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<sup>13</sup> American Wire and Cable Co. v. Director of Patents et. al. (SCRA 544), G.R. No. L-26557, 18 Feb. 1970.