

YALE SECURITY INC.,
Opposer,

-versus-

PHILTECH GLASS INDUSTRIES CORP.,
Respondent -Applicant.

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}
} IPC No. 14-2011-00314
} Opposition to:
} Appln. Serial No. 4-2011-000104
} Date Filed: 04 January 2011
} TM: "NORTON IN OBLONG
} DEVICE"
}

NOTICE OF DECISION

BUCOY POBLADOR & ASSOCIATES
Counsel for the Opposer
21st Floor, Chatham House
116 Valero corner Rufino Streets
Salcedo Village, Makati City

PHILTECH GLASS INDUSTRIES CORP.
c/o **MICHAEL ADRIEN T. CHUA**
For Respondent-Applicant
No.43 De Vera St., cor. Roosevelt Avenue
San Francisco Del Monte, Quezon City

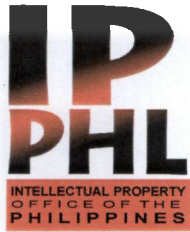
GREETINGS:

Please be informed that Decision No. 2016 - 43 dated February 10, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 10, 2016.

For the Director:

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



YALE SECURITY, INC.,
Opposer,

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**PHILTECH GLASS INDUSTRIES
CORPORATION,**
Respondent-Applicant.

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IPC No. 14-2011-00314
Opposition to:

Appln. Serial No. 4-2011-000104
(Filing Date: 04 January 2011)

**TM: NORTON IN OBLONG
DEVICE**

Decision No. 2016 - 49

DECISION

YALE SECURITY INC., (“Opposer”)¹ filed an Opposition to Trademark Application Serial No. 4-2011-000104. The application, filed by PHILTECH GLASS INDUSTRIES CORPORATION (“Respondent-Applicant”)², covers the mark “**NORTON IN OBLONG DEVICE**” for use on goods under Classes 6 and 19 of the International Classification of Goods and Services³, namely: *"common metals and their alloys, metal building materials, transportable buildings of metal, materials of metal for railway tracks, non-electric cables and wires of common metal, ironmongery, small items of metal hardware, pipes and tubes of metal, safes, goods of common metal not included in other classes, ores door closers, door stops, hinges, knobs, locks, fitting for tempered glass doors and panels, handles, clamp fittings, spider fittings, connectors, building materials (non-metallic), non-metallic rigid pipes for building, asphalt, pitch and bitumen, non-metallic transportable buildings, monuments, not of metal, glass doors of all kinds, separation walls of glass, automatically and manually operated"*.

The Opposer alleges that the mark “NORTON IN OBLONG DEVICE” resembles its mark “NORTON” and will likely cause confusion, mistake and deception on the part of the purchasing public as well as mislead the latter as to the nature, quality and characteristics of the goods if registered in the name of the Respondent-Applicant and will violate the provisions of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”).

¹ A corporation organized and existing under and by virtue of the laws of State of Delaware, U.S.A. with business address at 1902 Airport Road, Monroe, North Carolina 28110, U.S.A.

² A corporation organized and existing under and by virtue of the Philippine Laws, with office address at De Vera Street corner Roosevelt Avenue, San Francisco Del Monte, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World International 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.

The Opposer's evidence consists of the following:

1. Exh. "A" – Special Power of Attorney in favour of the undersigned counsel executed by the Opposer thru Douglas Millikan, its duly authorized President, notarized by Linda Dean, and authenticated by the Philippine Consular Office in Washington, District of Columbia, U.S.A.;
2. Exh. "B"- Legalized and authenticated Affidavit executed by Douglas Millikan;
3. Exh. "C"- Certified copy of Opposer's U.S. Cert. of Trademark ("TM") Reg. No. 912265 issued on 08 June 1971 and renewed on 08 June 2011 for the mark "NORTON" for goods under Classes 6 and 9;
4. Exh. "D"- Certified copy of Opposer's U.S. Cert. of TM Reg. No. 1999661 issued on 10 September 1996 and renewed on 10 Sept. 2006 for the mark "NORTON" for goods under Class 7;
5. Exh. "E"- Certified copy of Opposer's Canadian Cert. of TM Reg. No. TMA 475263 issued on 28 Apr. 1997 for the mark "NORTON" for goods under Classes 6, 7 and 9;
6. Exh. "F"- Certified copy of Opposer's Canadian Cert. of TM Reg. No. TMA 227170 issued on 14 Apr. 1978 and renewed on 14 Apr. 2008 for the mark "NORTON" for goods under Classes 6, 7 and 9;
7. Exh. "G" to "G-1" - Certified copy of Opposer's European Community Cert. of TM Reg. No. 000347575 issued on 14 Sept. 1998 for the mark "NORTON" for goods under Classes 6, 7 and 9 and its corresponding Cert. of Renewal;
8. Exh. "H"- Certified copy of Opposer's Danish Cert. of TM Reg. No. VR 198402517 issued on 13 July 1984 for the mark "NORTON" for goods under Classes 6 and 9;
9. Exh. "I" to "I-1"- Certified copy and verified English translation of Opposer's French Cert. of TM Reg. No. 2240729 and its corresponding Cert. of Renewal for the mark "NORTON" for goods under Classes 6 and 9;
10. Exh. "J"- Certified copy and Verified English translation of Opposer's Korean Cert. of TM Reg. No. 40-0775932 issued on 14 Jan. 2009 for the mark "NORTON in Oblong Device" for goods under Class 6;
11. Exh. "K"- Certified copy and Verified English translation of Opposer's Japanese Cert. of TM Reg. No. 2686928 issued on 29 July 1994 and renewed on 11 May 2004 for the mark "NORTON" for goods under Class 6;
12. Exh. "L" to "L-1"- Certified copy of Opposer's Puerto Rican Certificate of TM Reg. No. 66513 issued 15 Oct. 2005 for goods under Class 9 and Puerto Rican Cert. of TM Reg. No. 35580 as renewed on 12 Dec. 2004 also for the mark "NORTON";
13. Exh. "M" - Certified copy and Verified English translation of Opposer's Greek Cert. of TM Reg. No. 74368 issued on 19 Mar. 1985 and renewed on 01 Apr. 1993 for the mark "NORTON" for goods under Class 6;
14. Exh. "N"- Certified copy of Opposer's Taiwanese Cert. of TM Reg. No. 00384954 issued on 01 December 1987 for the mark "NORTON" for goods under Classes 6 and 9;

15. Exh. "O" to "O-1" – Packaging of Opposer's Class 6 and 9 products bearing its mark "NORTON" as actually used in commerce;
16. Exh. "P" to "P-9" – Promotional Architectural Hardware Catalog and Brochures on Opposer's products carrying its "NORTON" mark;
17. Exh. "Q" to "Q-1" – Corporate Brochures of ASSA ABLOY AB which is the parent Swedish Company of the Opposer wherein the latter's "NORTON" mark is advertised; and
18. Exh. "R" – Publication of Respondent-Applicant's TM Application No. 4-2011-000104 in the "IPO e-Gazette" as downloaded from its official website.

This Bureau issued Notice to Answer and served a copy thereof upon the Respondent-Applicant on 10 October 2011. The Respondent-Applicant, however, did not file an answer.

Should the Respondent-Applicant's Trademark Application for the mark "NORTON IN OBLONG DEVICE" be allowed?

The competing marks are reproduced below:

NORTON

Opposer's mark



Respondent-Applicant's mark

The marks are identical. That the mark applied for registration by the Respondent-Applicant is inside an oblong device is of no consequence, considering that the defining component thereof is the word "NORTON". Because both marks are used on similar and/or closely related goods, the Respondent-Applicant's mark would appear to be just a variation of the Opposer's. Thus, it is likely that the consumers will have the impression that these goods 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:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁴

Public interest therefore requires, that 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 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 into the market a superior article of merchandise, the fruit of his industry and skill; to assure the

⁴ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

A handwritten signature in blue ink, consisting of stylized initials, is located in the bottom right corner of the page.

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.⁵

The Respondent-Applicant may have beaten the Opposer as far as filing of a trademark application is concerned. The Opposer, however, has raised the issue of trademark ownership. In this regard, this Bureau emphasizes that it is not the application nor the registration that confers ownership of a mark, but it is ownership of the mark that confers the right of registration. The Philippines implemented the World Trade Organization Agreement “TRIPS Agreement” when the IP Code took into force and effect on 01 January 1998. Art 16(1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country’s legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.⁶ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of “registered owner” does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*⁷, the Supreme Court held:

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. Section 122 of the R.A. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes *prima facie* evidence of the validity of the registration, 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. R.A. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the *prima facie* presumption brought about by the registration of a mark 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. Moreover,

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents*, *supra*, *Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

⁶ See Sec. 236 of the IP Code.

⁷ G.R. No. 183404, 13 Oct. 2010.

the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.

In this instance, the Opposer proved that it is the originator and owner of the contested mark. It presented evidence that it has been using the mark since 1971 in the U.S. and has registered the mark in various jurisdiction including U.S.A, Canada, the European Community, Denmark, France, Japan, Puerto Rico, Greece and Taiwan. Also, it submitted evidence that it has been using the mark in the Philippines long before the Respondent-Applicant filed its trademark application in 2011.

In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend their trademark application and to explain how they arrived at using the mark NORTON which is exactly the same as the Opposer's. It is incredible for the Respondent-Applicant to have come up with exactly the same mark for use on similar goods by pure coincidence.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-000104 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 10 February 2016.


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

⁸ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.