

SUZUKI MOTOR CORPORATION,  
Petitioner,

-versus-

STERLING LINK INTERNATIONAL CORP.,  
Respondent- Registrant.

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}  
} IPC No. 14-2014-00352  
} Cancellation of:  
} Reg. No. 4-2012-001906  
} Date Issued: 05 September 2013  
} TM: "HAYABUSA"  
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**NOTICE OF DECISION**

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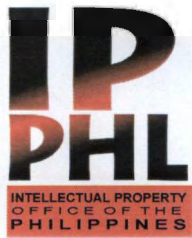
**GREETINGS:**

Please be informed that Decision No. 2016 - 182 dated June 22, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 22, 2016.

For the Director:

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



SUZUKI MOTOR CORPORATION,	}	IPC No. 14-2014-00352
Petitioner,	}	Cancellation of:
	}	
-versus-	}	Reg. No. 4-2012-001906
	}	Date Issued: 05 September 2013
STERLING LINK INTERNATIONAL CORP.,	}	Trademark: "HAYABUSA"
Respondent-Registrant.	}	
x-----x		Decision No. 2016 - <u>182</u>

**DECISION**

SUZUKI MOTOR CORPORATION ("Petitioner")<sup>1</sup> filed a Petition for Cancellation of Trademark Registration No. 4-2012-001906. The registration issued to STERLING LINK INTERNATIONAL CORP.<sup>2</sup> ("Respondent-Registrant"), covers the mark "HAYABUSA" for use on "car and motorcycle parts and accessories, namely, rearseats, axle extension, chain, handle grip, chainsets, sprocket" under Class 12 of the International Classification of Goods.<sup>3</sup>

Petitioner seeks the cancellation of the subject mark on the following grounds:

"A. The challenge mark is a bad faith copy of Petitioner's mark;

"B. The use and registration of the challenged mark by Respondent-Registrant for goods identical, similar or closely related to Petitioner's goods will cause confusion, mistake and deception upon the consuming public particularly as to the true origin, nature, quality and characteristics of the herein parties' respective goods and businesses, and hence, the challenged registration should not have been allowed registration pursuant to Section 123.1 (g) of the IP Code;

"C. Petitioner's HAYABUSA is registered in various countries which, like the Philippines, are members of the Paris Convention and World Trade Organization, and thus, the mark is by treaty protected in the Philippines as against the bad faith HAYABUSA copy of Respondent-Registrant pursuant to Sections 3 and 160 of the IP Code, and Article 6bis of the Paris Convention.

"D. Use and registration of HAYABUSA by Respondent-Registrant enable it to unfairly profit from the goodwill, fame, and notoriety of Petitioner's well-known HAYABUSA, contrary to Section 168.1 of the IP Code.

"E. The well-known status of Petitioner's HAYABUSA is protected under Section 123.1 (e) of the IP Code.

<sup>1</sup> A corporation organized and existing under the laws of Japan with address at 300 Takatsuka, Minami-ku, Hamamatsu-shi, Shizuoka-ken, Japan.  
<sup>2</sup> A corporation organized and existing under the laws of the Philippines with address at 230 Stall ABC, 10th Avenue, Grace Park, Caloocan City  
<sup>3</sup>The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

"F. As such well-known mark, it is protected from dilution engendered by the use and registration of the bad faith copycat HAYABUSA on goods described in the certificate that are not similar or related to Petitioner's goods."

The Petitioner's evidence consists of the following:

1. Exhibit "A" - Authenticated Affidavit of Mr. Toshiaki Abe;
2. Exhibits "B" and "B-1" - Articles of Incorporation of Suzuki with English Translation;
3. Exhibit "C" - printout of Suzuki's official website (www.globalsuzuki.com);
4. Exhibit "D" - printout of Suzuki's website dedicated to the Philippines (www.globalsuzuki.com.ph);
5. Exhibits "E" to "E-15" - Copies of Certificates of Registration for HAYABUSA issued in Brazil, U.S.A., Canada, New Zealand, South Africa, Norway, Australia, Switzerland, Hungary, India, Israel, Czech Republic, CTM, Japan, and China;
6. Exhibit "F" - advertising and promotional materials released and used by Suzuki in USA, Thailand, United Kingdom and Philippines;
7. Exhibit "G" - Affidavit of Jan Abigail Ponce;
8. Exhibit "H" - Special Power of Attorney;
9. Exhibit "I" - certified copy of Trademark Application No. 04-2013-012004 issued by IPOPHL; and
9. Exhibit "J" to "J-2" - photographs of the industry awards and accolades received by Petitioner and its HAYABUSA brand and product.

This Bureau issued a Notice to Answer on 13 August 2014 and served the same to Respondent-Applicant on 19 August 2014. After two motions for extension, Respondent-Applicant filed the Answer on 17 November 2014 alleging the following Affirmative Allegations and Defenses:

"8. Respondent's HAYABUSA trademark application was applied for and used for his designated goods not to cause confusion, mistake and deception on the part of the public or to capitalize on the alleged goodwill of the Petitioner as Respondent's trademark and covered goods being used and adopted by the same on its own and under its own name without any association with or representation on behalf of the Petitioner;

"9. Respondent acquired the subject trademark in good faith and has complied with all the rules and regulations of the Bureau of Trademarks to pursue its HAYABUSA trademark registration.

"10. Petitioner's HAYABUSA trademark does not qualify as an internationally well-known mark. It is not a well-known mark even in the Philippines, especially to the so called *relevant sector* of the public as required by Section 123.1 (e) of the Intellectual Property Code and Rule 101 (3) of the Trademark Rules and Regulations.

"11. Petitioner's HAYABUSA trademark, not being an internationally well-known mark does not deserve protection under Article 6bis of the Paris Convention as set forth in the Ministry of Trade and Industry Memorandum dated 25 October 1983. Further, Article 8 of the Paris Convention does not automatically apply and/or protect signatories thereto to prevent the registration of trade names as a trademark in another country signatory.

"12. Respondent has used in commerce its HAYABUSA trademark and is presently using the same in like manner for motorcycle rear set and sprocket/chain set.

"13. Whatever goodwill and/or good reputation the HAYABUSA trademark has generated in the Philippines is therefore attributable to Respondent alone, not to any other third party including the Petitioner.

"14. As such, Respondent should retain its ownership and registration of the HAYABUSA trademark in the Philippines.

Respondent-Registrant's evidence consists of the following:

1. Exhibit "1" -Affidavit of Priscilla D. Naigan;
2. Exhibits "2" to "6" - photos of the actual boxes of HAYABUSA products;
3. Exhibits "7" to "11" - photos of the packaging of Respondent's HAYABUSA products; and
4. Exhibits "12" to "16" - photographs of Respondent's goods.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation. On 18 September 2015, the Bureau's ADR Services submitted a report that the Opposer refused to submit the case to mediation. The preliminary conference was terminated on 02 December 2015 and the parties were directed to submit position papers. On 19 January 2016, Petitioner filed its Position Paper while Respondent-Registrant did so on 26 January 2016.

Should the Trademark Registration No. 4-2012-001906 for the mark HAYABUSA be canceled?

Petitioner is seeking the cancellation of Respondent's mark because it is a copycat of its own mark.

The parties marks are herein reproduced:

Hayabusa

Petitioner's Mark



Respondent-Registrant's Mark

Without a doubt, Respondent's HAYABUSA mark is similar to Petitioner's HAYABUSA. While Respondent's mark contains Japanese characters, their similarity is appreciable because what sticks to the mind of the consumer is the word and not the device or other illustrations included in the mark. Also, when the goods/services are advertised in the radio what is heard is only the word mark when pronounced. In addition, Petitioner's mark is used on "automobiles, motorcycles, all terrain vehicles, and the parts and fittings thereof" under Class



12 which is similar or related to Respondent-Applicant's goods namely: "car and motorcycle parts and accessories, namely, rear seats, axle extension, chain, handle grip, chain sets, sprocket" also under Class 12. As such, their similarity will likely cause confusion, mistake or deception on the part of the public that Petitioner's and Respondent's HAYABUSA marks are one and the same.

Considering the similarity of the Respondent's trademark with Petitioner's, the latter is a proper party to institute this cancellation proceeding. Section 151 of the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used. xxx

Thus, what is left to be determined is: Between Petitioner who has applied for registration of the mark HAYABUSA on 2013 and Respondent who has a trademark registration for the mark HAYABUSA with Japanese character issued in 05 September 2013, who has a better right?

Section 138 of the IP Code provides, to wit:

Sec. 138. Certificates of Registration - A certificate of registration of a mark shall be 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.

In *Berris v. Norvy Abdayang*<sup>4</sup>, 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 R.A. No. 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, 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. R.A. No. 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, 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. [Emphasis supplied.]

Clearly, it is not the application or registration of the mark which confers ownership. "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.

<sup>4</sup> G.R. No. 183404, October 13, 2010.

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."<sup>5</sup> Thus, while the certificate of registration issued to Respondent for its mark HAYABUSA creates a *prima facie* presumption of the validity of registration and ownership thereof, such presumption can be controverted by evidence on the contrary, that is, by proving that the party seeking the cancellation of the mark has a prior right as against the registrant.

The records of this case will show that at the time Petitioner applied for registration of the mark HAYABUSA in 4 October 2013, Respondent already has an existing registration for its mark HAYABUSA issued on 05 September 2013. So that, between Petitioner and Respondent, it would seem that the latter is the prior adopter and user of the mark HAYABUSA. However, Petitioner was able to prove that it is the real owner, prior adopter and user of the HAYABUSA mark. Petitioner submitted its home registration in Japan, which dates back to 12 December 1989 or 24 years earlier than Respondent's use or adoption. As explained by Petitioner, the mark HAYABUSA is an indigenous falcon which the Japanese call "Hayabusa". While it is not the biggest bird in Japan or the strongest, it has the ability to cut through the wind to reach top speeds over 300kph. It is from this characteristic of the Hayabusa that the engineer visualized its new design for Suzuki motorcycle which came to be known as HAYABUSA. In 1999, it was recognized as the best super bike.

On the other hand, nothing in the records of this case particularly the filewrapper would show or explain how Respondent-Applicant came up with a similar mark as that of Petitioner's. As such, the unexplained use by Respondent of a similar mark lends itself open to the suspicion of fraudulent motive to trade upon Petitioner's goodwill and reputation, thus:

A boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive. <sup>6</sup>

Furthermore, it must be stressed that since Respondent is involved in the business of selling/retailing car and motorcycle parts and accessories, a similar and/or related industry to where Petitioner belongs, it is expected to know its competitors and the products that customers prefer to buy for replacement of its car or motorcycle parts. In this case, Respondent did not only use a similar mark but in fact used the mark identical to the mark used by Petitioner in its HAYABUSA motorcycle as well as in its promotional materials. The mark of Petitioner as appearing in the promotional material and the product itself is as follows:

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<sup>5</sup> See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2015.

<sup>6</sup> *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.



This only bolsters the fact that Respondent adopted the identical trademark of Petitioner in bad faith and with intent to ride on the goodwill and reputation of Petitioner.

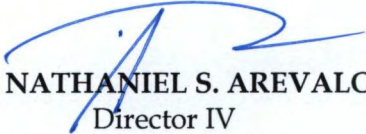
Succinctly, the registration of the Respondent's HAYABUSA mark, which is identical and/or confusingly similar to Petitioner's mark adopted and used prior to that of the Respondent's, is contrary to the provisions of the IP Code. The maintenance of Respondent-Registrant's mark in the Trademark Register is damaging and prejudicial to the best interest of the Petitioner.

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.<sup>7</sup>

WHEREFORE, premises considered, the instant petition for cancellation is hereby GRANTED. Let the filewrapper of Trademark Registration No. 4-2012-001906, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED. ....

Taguig City 22 JUN 2016

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

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<sup>7</sup> *Supra* note 4.