



AUDI AG,
Opposer,

-versus-

HUSKY PLASTIC CORPORATION,
Respondent- Applicant.

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}
} **IPC No. 14-2014-00154**
} Opposition to:
} Appln. Serial No. 4-2013-014861
} Date Filed: 12 December 2013
} **TM: "AUDI"**
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NOTICE OF DECISION

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HUSKY PLASTIC CORPORATION

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GREETINGS:

Please be informed that Decision No. 2016 - 196 dated June 27, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 27, 2016.

For the Director:

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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AUDI AG,
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IPC NO. 14-2014-00154

Opposition to:
Appln. Serial No. 4-2013-014861
Date Filed: 12 December 2013

HUSKY PLASTIC CORPORATION,
Respondent-Applicant.

Trademark: **"AUDI"**

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Decision No. 2016- 196

DECISION

Audi AG,¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-014861. The application, filed by Husky Plastic Corporation ("Respondent-Applicant")², covers the mark "AUDI" for use on "*plastic container*" under Class 21 of the International Classification of goods and services³.

The Opposer anchors its opposition on Section 123.1 (d) and (f) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). It alleges, among others, that it is the owner of the mark "AUDI", which it registered in various countries. It contends that the Respondent-Applicant identical with its own trademark and trade name as to likely, when applied or used in connection with the latter's goods, cause confusion, mistake and deception the part of the purchasing public.

According to the Opposer, it registered the mark "AUDI" in the Philippines for Classes 12, 36 and 37 as early as 26 March 2011. It has three dealer location in the country, all of which feature showrooms, displaying the full range of its latest models against the backdrop of brand interior concepts. It also caused extensive advertising, promotion, sale and marketing of its "AUDI" products. It claims that its "AUDI" mark is internationally well-known and accuses the Respondent-Applicant of riding on its goodwill. In support of its opposition, the Opposer submitted the following:⁴

1. list of "AUDI" trademark registrations worldwide;

¹ A corporation duly organized and existing under the laws of Germany with business address at D-85045 Ingolstadt, Bavaria, Germany.

² A domestic corporation with business address at #641 T. Santiago St., Lingunan, Valenzuela City, Philippines.

³ 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. 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.

⁴ Marked as Exhibits "A" to "U".

2. copy of Certificate of Registration Nos. 4-1997-116465, 4-1997-116466, 4-1997-116467, 4-2005-010887, 4-1997-127507, 4-1997-127508 and 4-2010-012249;
3. photographs of Audi dealer location in Greenhills, Global City and Alabang;
4. promotion, advertising, sales and marketing materials for goods bearing the mark "AUDI" in the Philippines;
5. a cd-rom containing selected advertisements for goods bearing the mark "AUDI";
6. screenshot of <http://www.audi.com>;
7. printouts from the Audi website listing various mobile applications for goods bearing the mark "AUDI";
8. its 2013 Annual Report;
9. decision rendered by the PRC Trademark Office;
10. Indonesian decision;
11. List of its sales markets for "AUDI" from January to April 2014;
12. Corporate Secretary's Certificate dated 30 May 2014; and
13. Notarized and legalized affidavit-testimony of Annette Krah.

The Respondent-Applicant filed its Answer on 27 June 2014 alleging, among others, its registration of "AUDI" there will not result to confusion, mistake and deception on the part of the purchasing public. It asserts that luxury vehicles and automotive services, which the Opposer is known for, are so foreign to its small plastic food containers. It contends that the goods and services covered by the Opposer's registrations are so remote from Class 21, under which it sought registration of its mark. The Respondent-Applicant's evidence consists of pictures of its products.⁵

Pursuant to Office Order No. 154, s. 2010, the case was referred to mediation. The parties, however, refused to mediate. Accordingly, the Hearing Officer conducted a preliminary conference and the same was terminated on 17 March 2015. Thereafter, the parties submitted their respective position papers. After which, the case is deemed submitted for decision.

Records reveal that at the time the Respondent-Applicant filed its application on 28 January 2013, the Opposer has valid and existing registrations of its "AUDI" marks issued as early as 26 March 2011.

To determine whether there is confusing similarity, the competing marks are reproduced as follows:

⁵ Marked as Exhibits "1" and "3".

Opposer's marks:



Audi Approved :plus

Respondent-Applicant's mark

The image shows the word "Audi" written in a highly stylized, cursive script font. The letters are thick and fluid, with significant slant and overlapping, giving it a handwritten or calligraphic appearance.

Looking at the Opposer's marks, what is impressed in the eyes and mind is the word "AUDI" and/or the four intertwined circles. The Respondent-Applicant's mark, on the other hand, similarly appropriates the word "AUDI". There is no doubt that the two marks are identical in spelling and pronunciation notwithstanding the differences in the device and font style. 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.⁶

While it is true that the Opposer's "AUDI" marks cover automobiles, specifically luxury vehicles, and automotive services while that of the Respondent-Applicant's pertains to plastic containers, the likelihood of confusion subsists. It is highly possible that purchasers will be confused, mistaken or deceived that the goods of the Respondent-Applicant is connected to, sponsored by or affiliated to the Opposer's. This is especially true since the word "AUDI" has no dictionary meaning but is simply a coined word and, therefore, highly distinctive. Of course, 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

⁶ Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.⁷ Noteworthy, the Respondent-Applicant, in its Answer, did not explain how it came up with the applied mark "AUDI".

Corollarily, Section 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

"123.1. A mark cannot be registered if it:

(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; xxx"(Emphasis supplied.)

Succinctly, 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*. "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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."⁸

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 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.⁹ The Respondent-Applicant's mark failed to meet this function.

Accordingly, this Bureau finds and concludes that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

⁷ American Wire & Cable Company vs. Director of Patents, G.R. No. L-26557, 18 February 1970.

⁸ Societe des Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 08 August 2010.

⁹ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2013-014861 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **27 JUN 2016**


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