

NIKON CORPORATION,
Opposer,

-versus-

ERIC R. ZHENG,
Respondent- Applicant.

x-----x

}	IPC No. 14-2013-00203
}	Opposition to:
}	Appln. Serial No. 4-2012-740308
}	
}	TM: "N NIKUN USA STD"
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NOTICE OF DECISION

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ERIC R. ZHENG
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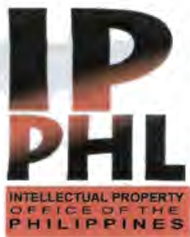
GREETINGS:

Please be informed that Decision No. 2016 - 214 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 30, 2016.

For the Director:

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



NIKON CORPORATION,

Opposer,

- versus -

IPC NO. 14 – 2013- 00203

Opposition to:

Application No. 42012740308

ERIC R. ZHENG,

Respondent-Applicant.

TM: “N NIKUN USA STD”

X-----X

DECISION NO. 2016 - 214

DECISION

NIKON CORPORATION (Opposer)¹ filed an Opposition to Trademark Application No. 4-2012-740308. The application filed by ERIC R. ZHENG, (Respondent-Applicant)², covers the mark “N NIKUN USA STD” for used on “*hand tools and implements, namely, hand-operated sprayers, cutlery, side arms and razor*” under Class 8 of the International Classification of Goods³

The Opposer’s material allegations are quoted as follows:

“3. Opposer is the owner of the trademark “NIKON” over goods classified under Classes 9 and 10 – Physical and chemical apparatus and instruments (excluding those belonging to applied electronic machinery and apparatus), optical apparatus and instruments (excluding those belonging to applied electronic machinery and instruments) Motion picture apparatus and instruments, Measuring apparatus and instruments (excluding those belonging to applied electronic machinery and apparatus and electric and magnetic measuring instruments), Medical instruments, their parts and accessories (excluding those belonging to other classes), and photographic materials.

4. Opposer acquired ownership over the trademark NIKON being first registrant and by its prior actual commercial use of the same in the Philippines.

5. Opposer filed its application for registration of its trademark on February 21, 1977, and was granted registration by the Intellectual Property Office on August 4, 1981 under Certificate of Registration No. 29680. This was renewed on August 4, 2001 for another ten (10) years. Opposer has filed for another renewal of said Registration on July 28, 2011, which was subsequently granted on August 4, 2011 for a term of another ten (10) years or until August 4, 2021.

On the other hand, Respondent-Applicant filed its application on November 12, 2012 for the registration of the mark “N NIKUN USA STD” under Class 08 for “hand tools and implements, namely; hand-operated sprayers; cutlery; side arms; razors”.

¹A corporation organized and existing under laws of Japan with address at 12-1 Yurakucho 1-chome, Chiyoda-ku Tokyo, Japan.

²Natural Person with principal address at 14 F. Bangoy St. Davao City, Davao del Sur, Philippines.

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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.

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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6. Opposer's goods with its NIKON trademark have been marketed and sold in the Philippines since 1970, which is evidently earlier than Respondent's application of its mark. On the other hand, there is no indication that Respondent-Applicant has even used its mark in the general market.

Opposer's mark is actually and presently used in the Philippines for its goods sold and/or services rendered through its authorized local distributor, Columbia Digital Star Corp with office address at 129 G. Roxas St. S.F.D.M., Quezon City and at least forty retail outlets in Manila alone, and numerous other outlets nationwide.

7. thus, being the holder of a valid and subsisting Certificate of Registration for the trademark "NIKON", Opposer has, under the Intellectual Property Code, the right to use the same to the exclusion of all others, including the Respondent herein.

8. Opposer's word mark NIKON is a well known mark.

9. Opposer was founded in 1917 as Nippon Kōgaku Kōgyō Kabushikigaisha ("Japan Optical Industries Corporation"); and the company was renamed Nikon Corporation, after their brand name "Nikon", in 1988. Likewise, Opposer is consistently the world leader in digital imaging, precision optics and photo imaging technology and is globally recognized for setting new standards in product design and performance.

10. Opposer registered the mark "NIKON" in Japan, as evidenced by Certificate of Registration No. 1095387 issued on November 8, 1974 and also used the said word mark in selling its goods.

11. Opposer's goods bearing the trademark "NIKON" enjoys international reputation and goodwill for their quality. Apart from Japan and the Philippines, Opposer's goods which use the trademark "NIKON" are also sold and distributed worldwide, such as but not limited to: United States of America, Singapore, Indonesia, Taiwan, Malaysia, Korea, Netherland, Australia, Argentina, Austria, Bolivia, Bahrain, Canada, Chile, China, Colombia, Denmark, Ecuador, France, Germany, Greece, Hong Kong, India, Italy, Mexico, Lebanon, Panama, New Zealand, Norway, Russia, Spain, Sweden, Switzerland, South Africa, Turkey, United Arab Emirates, United Kingdom, Egypt, and Iran, among others;

12. Opposer extensively and continuously advertises its products, trademarks and name in various newspapers ad magazines, both in Philippines and abroad. As part of enhancing its company image, Opposer placed billboards with the word mark "NIKON" at the capitals and commercial cities of Poland, United States of America, Russia, India, Beijing, Hong Kong and Japan. Likewise, it displayed the Nikon logo at KHL hockey rinks hosting all official games.

13. Even the Securities & Exchange Commission (SEC) recognizes Opposer's status as an internationally well known mark. An attempt to reserve the term NIKON with the SEC as a corporate name² will yield a negative result as the applicant will be promptly informed that NIKON is a **"globally known trade or brand name – it cannot be part of a corporate or partnership name"**. The result does not vary regardless of what type of industry is selected.

14. Such is the global presence of Opposer's "NIKON" mark that it has been repeatedly recognized by "Superbrands". "Superbrands" is an international organization which functions as an tribute to the world's leading brands, as selected by experts and consumers. The organization also publishes a series of brand-focused books and publications. Superbrands has launched its programs in many key global markets and has publications in over 80 countries.

15. From the foregoing, it is evident that Opposer's trademark is well known here in the Philippines and in other parts of the world and should be declared as a "well-known mark" as defined and qualified under Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers.

16. Respondent's use of the mark "N NIKUN USA STD" results in Likelihood of confusion.

17. Respondent's "N NIKUN USA STD" mark clearly and prominently contains the word "NIKUN", which is aurally and visually nearly identical to and reminiscent of opposer's mark "NIKON". Both Opposer and Respondent stamp their respective marks on containers of their goods. x x x

19. Expressed differently, if the competing trademark contains the main or essential or dominant features of another and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate.

20. Clearly, Respondent's continuous use of "NIKUN" in its mark which is similar to the well known mark "NIKON" of Opposer would likely cause confusion or mistake, or would deceive the "ordinarily intelligent buyer" of either Opposer's products or that of Respondent's products or both as to the source and origin of their respective goods, or as to the identity of the business of Opposer and Respondent.

21. In September 1946, Opposer named it's the new compact camera "Nikon". This name originated from "NIKKO", the abbreviation of the official company name at the time (Nippon Kogaki K.K or 日本光 meaning, "Japan Optical"), to which the letter "n" was added to the end to give a more masculine impression. Later, the Nikon brand achieved global penetration and became a household name in each its product fiels. It was at this time, in April 1988, that the company name (Trading Name) was changed from Nippon Kogaku K.K. to the present Nikon Corporation. Respondent, therefore, can have no possible reason to adopt the word "NIKON" into their mark other than to benefit from Opposer's acclaim. Respondent's use of the mark "NIKON" is sufficient proof of its intention of cashing in on the long established goodwill and popularity of the Opposer's reputation, thereby causing great and irreparable damage to the latter.

22. Opposer purposely chose the word mark "NIKON", since it knew very well that the word "NIKON" is derived from the former company name NIPPON KOGAKU KOGYO KABUSHIKI KAISHA. Clearly, the name NIKON originated from Opposer and was only imitated by Respondent.

23. when 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. (Callman Unfair Competition and Trade Marks, vol 2. page 1246).

24. Moreover, the goods covered by the respective marks are realated, despite belonging to different classes. Respondent-Applicant's goods (hand tools and implements, namely; hand-operated sprayers; cutlery; side arms; razors) and Opposer's goods (among which include physical and chemical apparatus and instruments, measuring and testing machines and instruments and medical instruments, their parts and accessories) are sold to the same if not closely-related market and through related channels. This shared market heightens the tendency that the consuming public will either confuse one mark and producer for the other or assume a relation between the two.

25. Opposer's interests will be damaged if Respondent's application for registration will be granted by this Honorable Office. Respondent's use of the mark "N NIKUN USA STD" will preclude Opposer from expanding its business to those good or services, it may also demean the superior quality of Opposer's goods.

26. Even on the assumption that the goods of the Opposer and Respondent-Applicant might be unrelated, Philippine jurisprudence adapts the Broadening protection for internationally well-known marks against infringement by marks used on unrelated goods and services."

To support its claims, the Opposer submitted the following Exhibits:

- Exhibit "A" – Affidavit and Copy of the Articles of Incorporation;
- Exhibit "B" – List of Trademark Registrations;
- Exhibit "C-1" – Certified True Copies of the Certificate of Registrations of Japan Registration No. 4637426;
- Exhibit "C-2" – Certified True Copies of the Certificate of Registrations of Japan Registration No. 4879785;
- Exhibit "C-3" – Certified True Copies of the Certificate of Registrations of Canada Registration No. UCA49624;
- Exhibit "C-4" – Certified True Copies of the Certificate of Registrations of USA Registration No. 2330693;
- Exhibit "C-5" – Certified True Copies of the Certificate of Registrations of USA Registration No. 569949;
- Exhibit "C-6" – Certified True Copies of the Certificate of Registrations of USA Registration No. 1866819;
- Exhibit "C-7" – Certified True Copies of the Certificate of Registrations of USA Registration No. 3223312;
- Exhibit "C-8" – Certified True Copies of the Certificate of Registrations of Hong Kong Registration No. 19902472AA;
- Exhibit "C-9" – Certified True Copies of the Certificate of Registrations of Hong Kong Registration No. 200206237AA;
- Exhibit "C-10" – Certified True Copies of the Certificate of Registrations of Argentina Registration No. 569949;
- Exhibit "C-11" – Certified True Copies of the Certificate of Registrations of Italy Registration No. 1257326;
- Exhibit "C-12" – Certified True Copies of the Certificate of Registrations of Australia Registration No. 116299;
- Exhibit "C-13" – Certified True Copies of the Certificate of Registrations of Australia Registration No. 559196;
- Exhibit "C-14" – Certified True Copies of the Certificate of Registrations of Australia Registration No. 559201;
- Exhibit "C-15" – Certified True Copies of the Certificate of Registrations of CTM Registration No. 2539591;
- Exhibit "C-16" – Certified True Copies of the Certificate of Registrations of CTM Registration No. 392548;
- Exhibit "C-17" – Certified True Copies of the Certificate of Registrations of European Union Registration No 000392548;
- Exhibit "C-18" – Certified True Copies of the Certificate of Registrations of International Registration No. 775489;
- Exhibit "C-19" – Certified True Copies of the Certificate of Registrations of International Registration No. 877098;
- Exhibit "D" – Certified True Copy of Registration in the Philippines;
- Exhibit "E" – Sales amount in the Republic of the Philippines;
- Exhibit "F" – Invoices of Nokon Hong Kong Ltd for the Republic of the Philippines;
- Exhibit "G" – Catalogs of India in 1996, 1998, and 2002, UK in 2010, USA in 2009, New Zealand in 2008;
- Exhibit "H" – Newspaper advertisements in the Philippines;
- Exhibit "I" – Magazine Advertisements in the Philippines;

Exhibit "J" – Photocopies of Billboard in Manila, Mexico City, Seattle, Hong kong, Beijing, Chengdu, Tochigi, Saint Petersburg, Mumbai, Warsaw;
Exhibit "K-1" to "K-2" – Seperbrand UK's 2004 and 2005;
Exhibit "L" – Printed Sample of the search result as obtained from SEC;
Exhibit "M" – Advertising expenses (Worldwide);
Exhibit "N" – Net Sales (Worldwide);
Exhibit "O" – Special Power of Attorney; and
Exhibit "P" – Secretary Certificate;

This Bureau issued a Notice to Answer on 16 September 2013 and served a copy thereof to the Respondent-Applicant on 21 September 2013.

However, the Respondent-Applicant did not file an Answer to the Opposition. In view thereof, an Order dated 24 February 2014 was issued declaring the Respondent-Applicant in default. Consequently, this case was submitted for Decision based on the Verified Notice of Opposition and evidence submitted by the Opposer.

The issue to resolve in the present case is whether the Respondent - Applicant should be allowed to register the trademark "N NIKUN USA STD"

This Opposition is primarily based on Section 123.1, paragraph (d), of Republic Act No. 8293 also known as the Intellectual Property Code of the Philippines ("IP Code") which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such mark as to be likely to deceive or cause confusion.

The records shows that at the time of the Respondent-Applicant filed its trademark application on 6 June 2012, the Opposer has an existing trademark registration for "NIKON" as early as 4 August 1981 or almost thirty-one (31) years prior to the respondent-applicant's application. The Opposer's trademark registration and applications cover, among others: *scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording disc, automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire-extinguishing apparatus, photographic equipment, parts and accessories, binoculars, telescopes, range finders computer software, electronic publications, non contact measuring machines and instruments, liquid crystal projector, microscope, rifle scope, solid state memory card, etc* under Class 9; *leather and imitations of leather and goods made of these materials, drawstring bags, backpacks, rucksacks, handbags etc* under Class 18; *building construction, repair, installation services, repair or maintenance of measuring or testing machines and instruments, repair or maintenance of telecommunication devices and apparatus and repair or maintenance of electronic machines and apparatus etc* under Class 37 and *education, providing training, entertainment, sporting and cultural activities, educational and instruction services relating to maintenance, repair*

and operation of optical machine and instruments and their parts and fittings etc. under Class 41.⁴

Verily, the two competing marks are being used on similar or closely related goods. Nevertheless, the similarity in the goods of the parties will only be relevant and the aforementioned provision of the IP Code apply if there will be a finding of confusing similarity between the two competing trademarks. In this instant, this bureau finds that the marks are confusingly similar.

The competing marks are reproduced below for comparison:

NIKON



Opposer's Trademark

Respondent-Applicant's Trademark

The word "NIKUN" is the most prominent feature of the respondent-applicant's marks which is confusingly similar visually and phonetically to the Opposer's "NIKON" mark. While it is true that there are other elements and devices in the Respondent-Applicant mark, the prominent word NIKUN conveys the same impression as the word NIKON to the buying public. The Supreme Court has consistently held that trademarks with *idem sonans* or similarities of sounds are sufficient ground to constitute confusing similarity in trademarks.⁵ Thus, the additional embellishments and devices are not sufficient to distinguish its mark from the Opposer's.

In our jurisdiction, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient, for purposes of the law that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁶ Corollarily, the law does not require actual confusion, it being sufficient that confusion is likely to occur.⁷ Because the junior registrant will use his mark on goods that are similar and/or closely related to the senior registrant, the consumer is likely to assume that the junior registrant goods originate from or sponsored by the senior registrant, which in the instant case is the Petitioner or believe that there is a connection between them, as in a trademark licensing agreement. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:⁸

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

⁴Exhibit D.

⁵Marvex Commercial Co., Inc. vs. Petra Hawpia and Co., G.R. No. L-19297, 22 December 1966

⁶American Wire & Cable Co. vs. Director of Patents, et. al., G.R. No. L-26557, February 18, 1970

⁷Philips Export B.V. et. al. vs. Court of Appeals, et. al., G.R. No. 96161, February 21, 1992

⁸Converse Rubber Corporation vs. Universal Rubber-Products, Inc. et. al. G.R. No. L27906, January 8, 1987



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.

Unfair appropriation of other's goodwill, which is one of the evil sought to be prevented by our intellectual property law, is very real in the instant case as records show that the Opposer has been using trademark "NIKON" since 1974 and was applied for registration in Philippines and other jurisdictions.⁹ No doubt, the Opposer has already acquired high goodwill with the public from its long use and marketing of its NIKON products.

Definitely, the field from which a person may select a trademark is practically unlimited. As in all other cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of design available, the junior registrant 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.¹⁰

WHEREFORE, premises considered the Opposition to the Trademark Application with Serial No. 42012740308 is hereby **SUSTAINED**. Let the filewrapper of Trademark Registration with Serial No. 42012740308 be returned, together with a copy of this Decision, to the Bureau of Trademark for information and appropriate action.

SO ORDERED.

Taguig City, 30 JUN 2016


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

⁹ Exhibit C series

¹⁰ American Wire & Cable Company vs. Dir. Of Patent , G.R. No. L-26557, February 18, 1970.