

SUMITUMO RUBBER INDUSTRIES }
 LIMITED, }
 Opposer, }
 } }
 -*versus-* } }
 } }
 PENG TEI LIU, }
 Respondent-Applicant. }

X----- X

IPC No. 14-2015-00153
 Opposition to:
 Appln Serial No. 4-2014-011119
 Date Filed: 05 September 2014
 TM: FALCON

NOTICE OF DECISION


FEDERIS & ASSOCIATES LAW OFFICES
 Counsel for Opposer
 2004 and 2005, 88 Corporate Center
 141 Valero Street, Salcedo Village
 Makati City

PENG TEI LIU
 Respondent- Applicant
 Lot 1-A South Coast Industrial Estate
 Brgy. Bancal, Carmona Cavite

GREETINGS:

Please be informed that Decision No. 2016 - 279 dated 09 August 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 09 August 2016.


 Atty. **MARLITA V. DAGOSA**
 Adjudication Officer
 Bureau of Legal Affairs

SUMITOMO RUBBER INDUSTRIES LIMITED,	}	IPC No. 14-2015-00153
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<i>Opposer,</i>	}	Opposition to:
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x-----x		Decision No. 2016 - <u>279</u>

DECISION

SUMITOMO RUBBER INDUSTRIES LIMITED¹ ("Opposer"), filed an opposition to Trademark Application Serial No. 4-2014-011119. The application filed by PENG TEI LIU² ("Respondent-Applicant"), covers the mark "FALCON" for "*vehicles, apparatus for locomotion by land, air or water*" under Class 12 of International Classification of Goods.³

The Opposer alleges the following grounds:

"a. FALCON is confusingly similar to Opposer's registered mark FALKEN (Reg. No. 4-1998-001773). Hence, it should not be allowed to proceed to registration pursuant to Section 123.1 (d) of the Intellectual Property Code (IP Code).

"b. FALKEN is a well-known mark as defined by Sec. 123.1 (e) and (f) of the IP Code. Therefore, if FALCON is registered, Opposer's rights arising from its ownership of a well-known trademark will be violated.

"c. FALCON is a bad faith copy of FALKEN. The application for FALCON is intended purely to unfairly profit commercially from the goodwill, fame, and notoriety enjoyed by Opposer's FALKEN trademark contrary to Section 168.1 of the IP Code.

"d. FALCON is also confusingly similar to the corporate name and/or trade name of Opposer's subsidiary, Falken Tire. Hence, FALCON is not eligible for registration under Section 165 of the IP Code and Article 8 of the Paris Convention."

¹ A foreign corporation duly organized and existing under the laws of the State of Delaware, United States of America, with principal place of business at Teterboro Airport, 200 Riser Road, Little Ferry, New Jersey 07643, United States of America.

² With address at Lot 1-A South Coast Industrial Estate, Brgy. Bancal, Carmona, Cavite, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark 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 Purposes of the Registration of Marks concluded in 1957.

The Opposer's evidence consists of the following:

1. Affidavit of Tetsuo Shimizu
2. Article of Incorporation of Opposer/2013 Annual Report
3. Sample invoices and sales receipts proving sale of FALKEN branded tires in the Philippines
4. A database listing of Opposer's trademark registrations and applications for FALKEN;
5. Certified true copies of certificate of registrations for the mark FALKEN;
6. Affidavit of Jan Abigail Ponce;
7. Special Power of Attorney;
8. Director's Certificate;
9. Certified true copy of Certificate of Renewal No. 4-1998-001773 for FALKEN issued in the Philippines;
10. Certified true copy of Decision issued by the Bureau of Legal Affairs in IPC No. 14-2009-00105 entitled "Sumitomo Rubber Industries Ltd. v. Mcxmotors Phils., Inc.;
11. Certified true copy of Decision issued by the Office of the Director General in IPC No. 14-2009-00105 entitled "Sumitomo Rubber Industries Ltd. v. Mcxmotors Phils., Inc.;
12. Certified true copy of Entry of Judgment issued by the Bureau of Legal Affairs in IPC No. 14-2009-00105 entitled "Sumitomo Rubber Industries Ltd. v. Mcxmotors Phils., Inc.;
13. Verified Notice of Opposition filed against App. No. 4-2008-006490;
14. Affidavit of Akihiro Takeuchi dated February 6, 2009;
16. Affidavit of Jan Abigail Ponce dated April 3, 2009;
17. Certified true copy of Verified Notice of Opposition filed against App. No. 4-2005-012262;
18. Affidavit of Akihiro Takeuchi dated October 19, 2007 including all documentary exhibits attached thereto submitted in support of the opposition against App. No. 4-2005-012262 in IPC No. 14-2007-00319;
19. Affidavit of Jan Abigail Ponce including all documentary exhibits attached thereto submitted in support of the opposition against App. No. 4-2005-012262 in IPC No. 14-2007-00319;
20. Certified true copy of Decision No. 2008-25;
21. Entry of Judgment and Execution of Decision;
22. Actual printout of www.falkentire.com, www.daydrift.com and www.consumersearch.com
23. Sample advertisement of FALKEN in C! Magazine circulated in the Philippines;
24. Printouts of electronic records of US Trademark registration for FALKEN;
25. Certified true copies of various certificates of trademark registration for FALKEN issued in different countries;
26. Trademark Database listing of Opposer's FALKEN mark issued in different countries;

27. Copies of other trademark registrations of Opposer for the mark FALKEN issued in different countries;
28. Printout of relevant websites, articles, newspapers, magazines and/or pictures of FALKEN tires;
29. Advertising materials showing FALKEN tires;
30. Opposer's Annual Report for years 2000-2006;
31. A printout of Opposer's Annual Report 2013 found at <http://www.srigroup.co/jp/english/ir/library/annual-report/3013.html>;
32. Articles featuring FALKEN tires; and
33. Brochures, catalogs and marketing materials used by the Opposer which features FALKEN.

This Bureau issued a Notice to Answer on 15 June 2015 and served a copy thereof upon Respondent-Applicant on 22 June 2015. However, despite receipt of the Notice, Respondent-Applicant did not file the Answer. On 11 November 2015, this Bureau declared Respondent-Applicant in default and the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark **FALCON**?

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 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.⁴

Sec. 123.1 (d) of the IP Code provides:

SECTION 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;

A perusal of the records of this will show that at the time Respondent-Applicant filed its application for registration of the mark FALCON on 05 September 2014, Opposer already has an existing registration for the mark FALKEN issued on 04 November 2002. Opposer's FALKEN mark is used on "vehicle wheel tires, vehicle wheel

⁴ *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), of the Trademark Related Aspects of Intellectual Property (TRIPS Agreement).

tubes, vehicle wheel rims, vehicle wheels, non-skid devices for vehicle wheel tires" under Class 12 while that of Respondent-Applicant's FALCON mark is used for "vehicles, apparatus for locomotion by land, air or water" under Class 12 also. Since Opposer's vehicle tires are necessary component of a vehicle, which is Respondent-Applicant's designated goods, the goods of the parties are related.

But, are the competing marks, shown below, resemble each other such that confusion or even deception is likely to occur?

FALKEN

Opposer's Mark

FALCON

Respondent-Applicant's Mark

A scrutiny of the competing marks show that both marks consist of six (6) letters and two (2) syllables, that is, Opposer's mark consists of the syllables "FAL" and "KEN" while Respondent-Applicant's mark is composed of "FAL" and "CON". Both marks are also written in plain uppercase letters. Both marks also mean the same thing since the word "FALKEN" is a German word for "Falcon". What is more, when Respondent-Applicant's FALCON mark is pronounced, it produces the same sound as that of Opposer's FALKEN mark such that to the ears they are indistinguishable from one other. Trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The same sound is practically replicated when one pronounces the Respondent-Applicant's mark. Similarity of sound is sufficient ground to rule that two marks are confusingly similar when applied to merchandise of same descriptive properties. In fact, the Supreme Court has in many cases took into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. In *Marvex Commercial Co., Inc. v Petra Hawpia & Co., et al.*⁵, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, vol. 1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sound: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jazz-Sea"; "Silver Flash" and "Supper-Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo". Leon Amdur, in his book "TradeMark Law and Practice", pp. 419-421, cites, as coming within the purview of the idem sonans rule, "Yusea" and "U-C-A", "Steinway Pianos" and "Steinberg Pianos", and "Seven-Up" and "Lemon-Up". In *Co Tiong vs. Director of Patents*, this Court unequivocally

⁵ G.R. No. L-19297. December 22, 1966 cited in *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993. August 18, 2004.

said that "Celdura" and "Cordura" are confusingly similar in sound; this Court held in Sapolin Co. vs. Balmaceda, 67 Phil. 795 that the name "Lusolin" is an infringement of the trademark "Sapolin", as the sound of the two names is almost the same." (*Emphasis supplied*)

Furthermore, it is worth to note that this Bureau as well as the Office of the Director General have ruled on the confusing similarity of the mark FALCON and FALKEN. In deciding that the marks are confusingly similar, this Bureau held:

In the case at bar, the two trademarks are composed of two (2) syllables each and the first syllable "FAL" of both marks is exactly the same letters and pronunciation. When pronounced, the competing trademarks as a whole sounds almost the same. In addition to the circumstances as stated, the word "FALKEN" is a German word which means "Falcon" in English. WHEREFORE, in totality, the two competing trademarks are confusingly similar to each other, and are both applied and used on the same goods particularly in Class 12 of the international classification of goods.

Another factor to be considered in this particular case is the goods/products covered by the competing trademarks both under Class 12 of the International Classification of goods.

The goods covered by the Respondent-Applicant's application identified as "motorcycles and scooters" are closely related to Opposer's goods described as "vehicle wheel tires, vehicle wheel tubes, vehicle wheel rims, vehicle wheels, non-skid devices for vehicle wheel tires" especially considering that these products also fall under Class 12 of the International Classification of goods and both products are to be found in the same channels of trade.⁶

On the other hand, the Office of the Director General in upholding the Decision of the Bureau on appeal, held:

A scrutiny of FALCON and FALKEN show that they are both word marks consisting each of six (6) letters and two syllables. Their first syllable is identical and composed of the letters "F", "A" and "L" while their respective last letter in the second syllable ends in the letter "N". Thus, their only difference is the presence of the letters "C" and "O" in the Appellant's mark and the letters "K" and "E" in the Appellee's mark. Moreover, FALKEN is a German word, the English translation of which is "Falcon".

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From the foregoing, FALCON cannot be registered for motorcycles and scooters in favor of the Appellant. There would be a likelihood of confusion if FALCON shall be registered in the name of the Appellant. It is not necessary that the Appellee first establish an actual confusion to sustain the opposition to the registration of FALCON. A likelihood of confusion to the purchasing public is sufficient to render two marks confusingly similar so as to deny or cancel registration of the junior mark or to constitute the latter as an infringement of the former."

In this instance, the goods covered by the competing marks are related. The Appellant's motorcycles and scooters cannot be used without tires which are valuable components of

⁶ See Decision No. 2009-107 in IPC Case No. 14-2009-00105.


these products. The Appellant's products may be assumed to originate with the Appellee deceiving the public that there is some connection between the Appellant and the Appellee, which, in fact, does not exist. It is not uncommon that stores selling motorcycles and scooters would have spare parts for their products lines which would include tires. The buying public can, therefore, associate the source of the goods of the Appellant as from the Appellee.

Accordingly, based on the foregoing, the registration of the mark FALCON is proscribed under Section 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the file wrapper of Trademark Application No. 4-2014-011119 be returned, together with a copy of the Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City **09 AUG 2016**


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs