

VIETNAM AGROTECH CO., LTD.,
Opposer,

-versus-

MICHAEL CORNELIO
CHRISTOPHER L. PACIA,
Respondent- Applicant.

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}
} IPC No. 14-2014-00250
} Opposition to:
} Appln. Serial No. 4-2014-002109
} Date Filed: 19 February 2014
} TM: "VIKYNO"
}
}
}
}
}

NOTICE OF DECISION

GANCAYCO BALASBAS AND ASSOCIATES LAW OFFICES
Counsel for Opposer
7th Floor, 1000 A. Mabini corner
T.M. Kalaw Streets
Ermita, Manila

MICHAEL CORNELIO CHRISTOPHER L. PACIA
Respondent- Applicant
IDO corner Conrado Benitez & Nicanor Jacinto Streets
BF Homes, Parañaque City

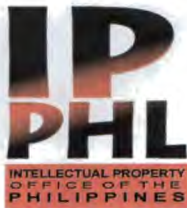
GREETINGS:

Please be informed that Decision No. 2016 - 268 dated July 28, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 28, 2016.

For the Director:

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



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MICHAEL CORNELIO CHRISTOPHER L. PACIA,
Respondent-Applicant.

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IPC No. 14-2014-00250

Opposition to:
 Application No. 4-2014-00002109
 Date Filed: 19 February 2014
 Trademark: "VIKYNO"

Decision No. 2016- 268

DECISION

VIETNAM AGROTECH CO., LTD.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-00002109. The application, filed by Michael Cornelio Christopher L. Pacia² ("Respondent-Applicant"), covers the mark "VIKYNO" for use on "motor and engine" under Class 07 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
 "IV. DISCUSSION
 x x x

"17. A casual perusal of the trademark sought to be registered by respondent-applicant would show that it is the exact mark of opposer. Respondent-applicant's VIKYNO and its graphic representation is IDENTICAL and the EXACT COPY to that of opposer's trademark, thus: x x x

"18. The legal maxim res ipsa loquitur or the 'thing speaks for itself' finds application in the case at bar. A simple examination of the above illustration, the two marks juxtaposed to one another, would readily and clearly show that what respondent-applicant seeks to register in utter bad faith is the very trademark of opposer. For this reason alone, the application should not be given due course.

"19. Under Section 3 in relation to Section 147 of the IP Code, although not having registration in the Philippines for its trademark, as opposer's previous Philippine registration was deemed abandoned for not having filed a timely Declaration of Actual Use, still opposer has the exclusive right to prevent third parties, including respondent-applicant, from using its trademark. Opposer, therefore, has every right to oppose respondent-applicant's instant application, which would allow him to use opposer's trademark.

¹A foreign corporation organized and existing under the laws of Vietnam, with principal office at Melody Tower, 422-424 Ung Van Kiem St., Ward 25, Binh Thanh Dist. Hochiminh City, Vietnam.
²With address at IDO corner Conrado Benitez & Nicanor Jacinto Streets, BF Homes Paranaque, Paranaque City, Metro Manila, Philippines.
³The 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.

"20. Furthermore, it most respectfully submitted that to allow the registration of respondent-applicant's application would result to infringement of trademark as defined in Section 155, 155.1 and 155.2 of the IP Code, thus: x x x

"21. Respondent-applicant's VIKYNO should not be allowed to ripen to registration as the same is proscribed under Sec. 123.1 (g) of the IP Code, which states,
x x x

"22. Jurisprudence speaks of two types of confusion in trademark infringement: confusion of goods and confusion of business. Both types of confusion are attendant in the case at bar.

"22.1. There is confusion of goods when an otherwise prudent purchaser is induced to purchase one product in the belief that he is purchasing another.

"22.2. There is confusion of business where the goods of the parties are different but the one's product can reasonably (though mistakenly) be assumed to originate from the other, thus deceiving the public into believing that there is some connection between the two which, in fact, does not exist.

"22.3. In determining the likelihood of confusion, the Court must consider: (a) the resemblance between the trademarks; (b) the similarity of the goods to which the trademarks are attached; (c) THE LIKELY EFFECT ON THE PURCHASER and (d) the registrant's express or implied consent and other fair and equitable considerations.

"23. First of all, the mere fact that opposer is the assignee and owner of the trademark VIKYNO in the country, and the mere fact that respondent-applicant's VIKYNO mark is EXACTLY THE SAME as that of opposer's trademark would definitely confuse the purchasing public as to the origin of respondent-applicant's VIKYNO products. The VIKYNO brand, which opposer has successfully acquired, is a result of a Technical Assistance Agreement between Vikyno Company of Vietnam and Kubota Corporation of Japan. The purchasing public, being familiar with the goodwill of opposer's products would purchase respondent-applicant's products in the mistaken belief that they are purchasing products of opposer. This will cause irreparable damage to opposer's goodwill.

"24. The purchasing public would automatically assume a connection between respondent-applicant's VIKYNO and opposer's VIKYNO, the two marks being EXACTLY THE SAME. The purchasing public would be misled as to the nature, quality, characteristics and/or geographical origin of respondent-applicant's goods or services as being that of opposer's. Any substandard quality of respondent-applicant's goods and services would tarnish the goodwill of opposer, causing irreparable damage to the latter.

"25. This is precisely the situation sought to be avoided and/or eradicated by Sec. 123.1 (g) of the IP Code, which thus proscribed the registration of respondent-applicant's VIKYNO.

"26. Furthermore, being IDENTICAL with opposer's trademark, registration of respondent-applicant's VIKYNO is proscribed under Sec. 123.1 (d) of the IP Code, which provides,

x x x

"27. As aforementioned and as previously illustrated, it is most respectfully submitted that opposer's trademark, VIKYNO, is an internationally well-known mark under the criteria set forth in the IP Code and Rule 102 of the Trademark Regulations.

"28. Additionally, it is prudent to point out that respondent-applicant's application for the VIKYNO mark is for the exact same class 7, as that of opposer's previously approved registration and re-filed application.

"29. Respondent-applicant's VIKYNO mark is therefore NOT registrable under Section 123.1 (e) of the IP Code, which provides: x x x

"30. Likewise, respondent-applicant's VIKYNO mark is not registrable under Article 6bis of the Paris Convention for the Protection of Industrial Property, which provides: x x x

"31. Respondent-applicant's mark is not only confusingly similar to that of opposer's trademark but is an exact replica thereof. Under the IP Code and Article 6bis of the Paris Convention, respondent-applicant's application should not be given due course.

"32. As clearly shown above, respondent-applicant seeks to register the very trademark of opposer, knowing fully well that herein opposer, his predecessor-in-interest and the original owner of the VIKYNO Trademark, in various parts of the world, SVEAM Co., Ltd., have been the successive registered owners and prior and continuous user of the mark VIKYNO on diesel engines since its first registration in Vietnam in 1993.

"33. There is only one source for diesel engines bearing the VIKYNO mark and opposer is the sole and exclusive distributor thereof in the Philippines, and more importantly, the assignee and owner of the said mark for the Philippine jurisdiction. Respondent-applicant knew fully well that it did not have transactions with the original manufacturer and exporter of the said diesel engines bearing the VIKYNO mark, but, it did not stop him from registering the said mark as his own.

"34. Obviously, therefore, respondent-applicant, in utter bad faith, has waited in the wings and has taken advantage of the cancellation of the previously registered VIKYNO mark, which was cancelled through sheer inadvertence as the previous owner was a foreign national who had overlooked the reportorial requirement to maintain the said registration in his name.

"35. Blatantly and in utter bad faith, respondent-applicant seeks to register opposer's trademark. For this reason alone, owing to the protection enjoyed by opposer under local and international laws, respondent-applicant's trademark application should be denied.

"36. It may not be amiss to point out at this juncture that, paraphrasing the Honorable Supreme Court, it is highly suspect why of the millions of terms and combinations of letters and designs available, an applicant would choose the exact same

mark as that of another if there is no intent to take advantage of the latter's goodwill. In the words of the Honorable Supreme Court in *Societes Des Produits Nestle, S.A. v. Court of Appeals*,

x x x

"37. Under applicable law and jurisprudence, respondent-applicant's VIKYNO mark is not registrable and should be denied registration.

"38. Opposer reserves the right to present further evidence in the course of trial in support of its claims.

The Opposer's evidence consists of a copy of the Corporate Secretary's Certificate appointing and/or designating Gancayco, Balasbas & Associates Law Offices or any of its lawyers as its Counsel to prosecute in particular IPC No. 14-2014-00250; a copy of the authorization dated 15 February 2014 wherein SVEAM Co., Ltd., the registered owner of VIKYNO trademarks, has given authorization for Opposer to register the trademark VIKYNO in the Philippines; copies of worldwide registrations of the mark VIKYNO, specifically in Vietnam, Malaysia, Myanmar and Yemen; a copy of Certificate of Registration No. 4-2004-005354 for the trademark VIKYNO filed on 17 June 2004 for Class 07 and registered on 30 July 2006; copy of assignment of mark by Chew N. Hai to herein Opposer; copies of advertisements and prior use of the mark VIKYNO in the Philippines and its online sales channels; and copy of herein Respondent-Applicant's trademark application for the mark VIKYNO, subject of this opposition.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 16 September 2014. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark VIKYNO?

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

Sec. 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;"

⁴Marked as Exhibits "A" to "M".

A comparison of the competing marks reproduced below:

VIKYNO

Opposer's trademark

VIKYNO

Respondent-Applicant's mark

shows that the marks are obviously identical and used on similar and/or closely related goods, particularly, engine. 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.⁵

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 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.⁶

Records show that Opposer's predecessor's filing of their Philippine trademark application for VIKYNO on 17 June 2004 preceded the Respondent-Applicant's trademark application by more or less 10 years (19 February 2014). However, the application which matured into registration was removed from Register for non-filing of the requisite Declaration of Actual Use. This Bureau noticed that the goods covered

⁵ Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

⁶ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).

by Respondent-Applicant's trademark application are similar and/or closely related to the Opposer's, particularly, engine.

In this regard, this Bureau emphasizes that 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 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.⁷ 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*⁸, 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

⁷ See Sec. 236 of the IP Code.

⁸ G.R. No. 183404, 13 Oct. 2010.

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.

In this instance, the Opposer proved that it is the originator and owner of the contested mark. As stated, "Opposer Vietnam Agrotech Co., Ltd., was incorporated on 3 February 2013. It is the resulting corporation in the merger between two State-owned companies VIKYNO CO., LTD (Established in 1967) and VINAPPRO CO., LTD (Established in 1968) under the Ministry of Industry and Trade of Vietnam".⁹ In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend his trademark application and to explain how he arrived at using the mark VIKYNO 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.¹⁰

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 to Trademark Application No. 4-2014-002109 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 JUL 2016


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

⁹ Par. 4 of the Notice of Opposition.

¹⁰ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.