

MUHLE GMBH & CO. KG,
Opposer,

-versus-

RISHI N. MIRANI,
Respondent- Applicant.

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}
} IPC No. 14-2011-00562
} Opposition to:
} Appln. Serial No. 4-2011-008525
} Date Filed: 21 July 2011
} TM: "MUHLE GLASSHUTE"
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NOTICE OF DECISION

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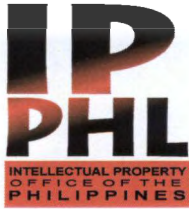
GREETINGS:

Please be informed that Decision No. 2016 - 92 dated March 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 31, 2016.

For the Director:

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



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IPC NO. 14-2011-00562

Opposition to:
App.Serial No. 4-2011-008525
Date Filed: 21 July 2011
TM: "MUHLE GLASSHUTE"

Decision No. 2016- 92

DECISION

MÜHLE GMBH & CO. KG ¹ ("Opposer"), filed an opposition to Trademark Application Serial No. 4-2011-008525. The application, filed by RISHI N MIRANI² ("Respondent-Applicant"), covers the mark "MUHLE GLASSHUTE" for use on "jewelry, watches, precious metals, precious stones, horological and chronometric instruments", under Class 14 of the International Classification of Goods. ³

The Opposer alleges the following:

"6. The trademark MUHLE GLASSHUTE being applied for by respondent-applicant is confusingly similar with Opposer's trademark MÜHLE such that, when applied to or used in connection with the goods of respondent-applicant, will most likely cause confusion, mistake and deception on the part of the purchasing public.

x x x

"7. The registration of the trademark MUHLE GLASSHUTE in the name of respondent-applicant will violate Sec. 123.1 (e) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines.

"8. Likewise, under the Intellectual Property Code of the Philippines, the owner of a well-known mark that is 'not registered in the Philippines' has the legal standing and right to oppose the registration of a mark that is 'identical' or 'confusingly similar' to its unregistered well-known mark. Sec. 131.3 of the Intellectual Property Code of the Philippines provides:

x x x

"9. Opposer's mark MÜHLE qualifies as a 'well-known' mark under the criteria laid down in Rule 102 of the Rules and Regulations on Trademark, Service Marks, Trade Names and Marked or Stamped Containers ('Trademark Regulations'), implementing the Intellectual Property Code of the Philippines.

x x x

"12. The registration of the trademark MUHLE GLASSHUTE in the name of respondent-applicant will also be in violation of the treaty obligations of the Philippines under the Paris Convention for the

¹ A corporation organized and existing under the laws Germany, with office address at Altenberger Straße 35, D-01768 Glasshüte, Germany.

² A Filipino resident with address at Kampri Bldg. 2254 Don Chino Roces Avenue, Makati City

³The 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.

Protection of Industrial Property, to which the Philippines and Germany, the domicile of herein Opposer, are member states. Article 6bis of the Paris Convention provides that:

x x x

"13. The word GLASSHUTE in respondent-applicant's mark MUHLE GLASSHUTE is a geographical location, i.e., a town in Germany where opposer Mühle GmbH & Co. KG and its licensee Mühle Glassütte GmbH Naustische Instrumente und Feinmechanik are located, which will mislead consumers as to the geographical origin of respondent-applicant's goods. The registration of such word in the name of respondent-applicant will violate Sections 123.1 (g) and (j) of the Intellectual Property Code of the Philippine .

x x x

"14. Respondent-applicant's mark MUHLE GLASSHUTE being confusingly similar to opposer's mark, its registration and use by respondent-applicant will diminish the distinctiveness and dilute the goodwill of opposer's trademark MÜHLE."

The Opposer's evidence consists of the following:

1. Exhibit "A" - Opposer's worldwide Trademark Portfolio for the mark MÜHLE GLASSHUTE;
2. Exhibits "A-1" to "A-6" - certificate of registration for the mark MÜHLE from the World Intellectual Property Organization, Hong Kong, New Zealand, Singapore, Canada and Germany
3. Exhibits "B" - 2011 Catalogue featuring opposer's products bearing the trademark MÜHLE;
4. Exhibits "C" to "C-1" - advertisements of opposer's products bearing the trademark MÜHLE in Canada and Japan;
5. Exhibits "E" - Secretary's Certificate authorizing Hans - Jürgen Mühle as the official representative of the opposer; and
6. Exhibit "F" - Legalized Affidavit-Testimony of Hans - Jürgen Mühle.

This Bureau issued on 24 February 2012 a Notice to Answer and served a copy thereof to the Respondent-Applicant on 08 March 2012. However, despite receipt of Notice, Respondent-Applicant failed to file the Answer. On 10 December 2012, this Bureau issued an Order declaring Respondent-Applicant in default. Hence, this case is submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended.

Should the Respondent-Applicant be allowed to register the mark **MUHLE GLASSHUTE**?

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.⁴

At the time the Respondent-Applicant filed its trademark application on 21 July 2011,

⁴See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

Opposer has no trademark registration for the mark MUHLE GLASSHUTE in the Philippines but it has registration of its mark MÜHLE in OMPI dating back to 07 November 1997 for use on goods such as "precision mechanical apparatus, namely, miniature gear boxes other than for land vehicles" under Class 07; "nautical instruments, marine barometers, marine hydrometers, marine thermometers, combined hygrometer/thermometer apparatus, marine gradient indicators" under Class 09; and "wristwatches, marine clocks, marine clocks installations, marine clocks to indicate quarter hours, tidal clocks, chronometer" under Class 14. On the other hand, Respondent-Applicant's mark is used on "jewelry, watches, precious metals, precious stones, horological and chronometric instruments", under Class 14. As such, the parties deal with similar and/or related goods.

Opposer anchors its opposition on Sec. 123.1 (e) of the IP Code which provides:

SEC. 123. Registrability. - 123.1 A mark cannot be registered if it:

x x x

(e) Is identical with or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration and used for identical or similar goods or services; Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant section of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

Pursuant to the above provision, a mark cannot be registered if it is identical or confusingly similar to a mark which has been declared well-known in the Philippines and internationally by the competent authority in the Philippines. In order to determine whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public including knowledge in the Philippines which is obtained through the promotion of the mark.

The marks of the parties are herein reproduced:

MÜHLE

Opposer's Marks

MUHLE GLASSHUTE

Respondent-Applicant's Mark

As shown above, the competing marks use the word MUHLE although a slight difference can be observed in terms of the font used which is very trivial. The word "Glasshute" also appears in Respondent-Applicant's but as correctly pointed out by Opposer, Respondent-Applicant cannot appropriate the same because it pertains to a geographical place, a town located in Sächsische Schweiz-Osterzgebirge, Saxony, Germany. As such, the marks of the parties are confusingly similar. However, despite the similarity of the marks of the parties, Opposer failed to sufficiently show that its mark is well-known in the Philippines and internationally. Opposer did not present any evidence to show that its mark MÜHLE is recognized or known in the Philippines through the promotion of the mark in the country. As such, its reliance on Section 123.1(f) has no leg to stand on.

Nonetheless, even if Opposer's mark is not a well-known mark in the Philippines and internationally, still, Respondent-Applicant's mark cannot be registered pursuant Section 165 of the IP Code which provides:

Sec. 165. Trade Names or Business Names. -

x x x

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

The word "MUHLE" in Respondent-Applicant's trademark is Opposer's trade name since 1869. It is also used as a trade name of its licensee, *Mühle-Glasshüte naustische Instrumente und Feinmechanik*, which is engaged in the sale and distribution of watches, since 1996. Thus, the registration of the Respondent-Applicant's MUHLE GLASSHUTE mark, which is confusingly similar to Opposer's trade name, adopted and used prior its application, is contrary to the provisions of the IP Code and is damaging and prejudicial to the best interest of the Opposer.

Furthermore, it is worth to note that registration of a mark is based on ownership. While Republic Act No. 8293 espouses the first-to-file rule as stated under Sec. 123.1(d) which means that the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.⁵

In *E.Y. Industrial Sales, Inc. et. Al. v. Shendar Electricity and Machinery Co. Ltd.*, the Supreme Court held:

Sec. 134 of the IP Code provides that any person who believes that he would be damaged by the registration of a mark x x x may file an opposition to the application. The term any person encompasses the true owner of the mark, the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*:

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. **Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.**

x x x x

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the

⁵ *Supra.*

former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that **actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.**

x x x x

By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a prima facie presumption of the validity of the registration, of the registrants ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

Clearly, it is not the application or registration of the mark which confers ownership. A trademark is a creation of use and belongs to one who first used it in trade or commerce.⁶ "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."⁷ Opposer has used in commerce the mark MUHLE since 1997 and continuously using it up to the present. Thus, while Respondent-Applicant was first to file the application for registration of the trademark MUHLE GLASSHUTE, the Opposer as the true owner of the mark has the right and can oppose the application of the mark filed by Respondent-Applicant.


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.⁸

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-008525, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 31 March 2016.


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

⁶ *Berris v. Norvy Abdayang*, G.R. No. 183404, October 13, 2010.

⁷ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2013.

⁸ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 28 March 2016.