

HENG DONG T. LIM,
Opposer,

-versus-

MICHAEL CORNELIO
CHRISTOPHER L. PACIA,
Respondent- Applicant.

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}
} **IPC No. 14-2014-00251**
} Opposition to:
} Appln. Serial No. 4-2014-002110
} Date Filed: 19 February 2014
} **TM: "KUVICO"**
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NOTICE OF DECISION

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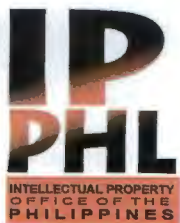
GREETINGS:

Please be informed that Decision No. 2016 - 490 dated December 23, 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, December 23, 2016.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



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 -versus-
MICHAEL CORNELIO
CHRISTOPHER L. PACIA
 Respondent-Applicants.

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Decision No. 2016- 490

DECISION

HENG DONG T. LIM (Opposer),¹ filed an opposition to Trademark Application Serial No. 4-2014-002110. The application filed by MICHAEL CORNELIO CHRISTOPHER L. PACIA (Respondent-Applicant)² covers the mark “KUVICO” for use on “*motors and engines (small)*” under Class 07 of the International Classification of Goods³.

The Opposer alleges the following, among others:

“A. Opposer himself and his predecessor in interest has prior use of the trademark KUVICO as he has been using it extensively and continuously since 17 June 2004 while Respondent-Applicant, allegedly used his trademark only since 19 February 2014.

“B. Respondent-Applicant’s mark is an exact reproduction/replica of Opposer’s trademark, as to cause confusion, mistake and deception on the part of the purchasing public as to the origin of the goods, covered by the marks.

“C. Respondent-Applicant is seeking the registration of Opposer’s trademark in utter bad faith.”

The Opposer’s evidence consists of the following:

1. Copy of the Certificate of Business Name Registration for Super Trade Enterprises;
2. Copy of Trademark Registration No. 4-2004-005353 for the mark “KUVICO” for Class 07 in the name of Chew N. Hai issued on 16 July 2006;
3. Deed of Assignment and Transfer of Rights of the mark “KUVICO” between Chew Nee Hai and Heng Dong Tan Lim executed on 18 February 2014;
4. Copies of advertisements of the product bearing the mark KUVICO of Opposer;
5. Copies of the first importation documents dated 2003, newspaper ads and expenses;

¹ A Filipino citizen with address at 937 Edsa Philam Life Homes, Quezon City.

² A Filipino citizen with address at IDO corner Conrado Benitez and Nicanor Jacinto Streets, BF Homes, Paranaque City.

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

6. Copies of Sales Invoices issued by Super Trade Enterprises for the purchase of KUVICO products dated March – August 2004;
7. Copies of representatives samples of Sales Invoices, Delivery Receipts, Purchase Orders issued by Super Trade Enterprises to its various clients; and
8. Affidavit of Heng Dong T. Lim.

This Bureau issued on 08 August 2014 a Notice to Answer and served to Respondent-Applicant on 06 September 2014. Despite receipt of the Notice, Respondent-Applicant failed to file the answer. On 06 March 2015, Order No. 2015-359 was issued declaring Respondent-Applicant in default for failure to file the answer. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

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

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

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.

The marks of the parties are reproduced below:

KUVICO

Opposer's Mark

KUVICO

Respondent-Applicant's Mark

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

There is no doubt that Opposer's and Respondent-Applicant's marks are identical. What is more, the goods of the parties are also similar, closely related and competing. Opposer's KUVICO mark is used on "diesel engines for agricultural machinery" under Class 07 while Respondent-Applicant's mark is used or being applied for "motors and engines" also under Class 07. As such, the only thing that this Bureau needs to determine is who between Opposer and Respondent-Applicant is the true owner and prior user in commerce of the mark KUVICO.

The records will show that at the time Respondent-Applicant applied for registration of the mark KUVICO, Opposer has no existing registration or pending application for registration of the mark KUVICO. It was only on 20 February 2014 that Opposer filed an application for registration of the mark KUVICO. Although Opposer was previously issued a registration for its mark KUVICO on 16 July 2006, Opposer admitted that the same was removed from the register for failure to file the Affidavit of Use for the Fifth Anniversary. Thus, at the time Respondent-Applicant filed the application for registration of his mark KUVICO, it appears that there was no bar to the registration of his mark.

However, 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 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 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.⁵ "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.

Records will also show that the mark KUVICO used for diesel engines originated in Vietnam and was formally introduced in the Philippines by Chew N. Hai. The KUVICO brand is a result of the Technical Assistance Agreement between Vikyno Company of Vietnam and Kubota Corporation of Japan. It was first imported to the Philippines through Opposer's single proprietorship business, Super Trade Enterprises, in 2003. The mark was registered in the name of its owner Chew N. Tai in 2006. In 18 February 2014, the mark was assigned to herein Opposer through a Deed of Assignment and Transfer of Rights. Thus, from that time, Opposer as assignee of the mark stepped into the shoes of his predecessor-in-interest and acquired all the rights of Chew N. Hai as an owner of the mark KUVICO.

Although the KUVICO mark was later on removed from the trademark registry, the removal did not operate as an abandonment by Opposer or its predecessor-in-interest. Generally, abandonment means the complete, absolute or total relinquishment or surrender of one's property or right, or the voluntary giving up or non-enjoyment of such property or right for a period of time which results in the forfeiture or loss thereof. It requires the concurrence of the intention to abandon it and some overt acts from which it may be inferred not to claim it anymore.⁶ To work abandonment, the disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. There must be a thorough ongoing discontinuance of any trade-mark use of the mark in question.⁷ Applying the said concept to ownership or registration of trademarks, in order for a trademark registration to be considered as abandoned, the owner/registrant must relinquish or voluntarily surrender its rights over the trademark.

In the instant case, there is no overt act from which it can be inferred that Opposer's predecessor-in-interest abandoned his right over the mark KUVICO. Opposer showed that despite the removal of its mark from the registry, the mark was used in its goods as evidenced by

⁵ *Berris v. Norvy Abdayang*, G.R. No. 183404, October 13, 2010.

⁶ *Agpalo, Ruben E., Legal Words and Phrases, 1997 Ed., page 1.*

⁷ *Philippine Nut Industry vs. Standard Brands, Incorporated, Et. al.*, G.R. No. L-23035. July 31, 1975 citing *Callman, Unfair Competition and Trademark, 2nd Ed., p. 1341*

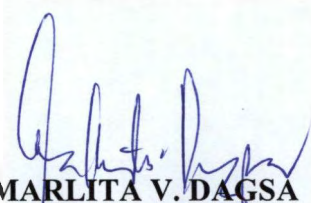
the Sales Invoices, Delivery Receipts, Purchase Orders dated in the years 2008-2013. Furthermore, the re-application by Opposer for registration of his KUVICO mark bolsters the fact that he did not abandon the use and ownership of the mark. Thus, while Opposer has no existing registration or pending application at the time when Respondent-Applicant filed his application, the mark cannot be registered because Respondent-Applicant is not the true owner of the mark but Opposer. Thus, as the owner of the mark KUVICO, the latter can oppose and has the right to oppose the application of the mark filed by Respondent-Applicant.

Finally, since Respondent-Applicant is not the owner of the mark KUVICO, the registration of the mark in his name is proscribed by law.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2014-002110, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 23 DEC 2016.



MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs