

KABUSHIKI KAISHA YOSHIMURA JAPAN,
Petitioner,

-versus-

RICHARD LIM,
Respondent-Registrant.

X-----X

}	IPC No. 14-2010-00277
}	Petition for Cancellation of:
}	Reg. No. 4-2004-007243
}	Date Issued: 05 February 2007
}	
}	TM: YOSHIMURA

NOTICE OF DECISION

VERALAW (Del Rosario Bagamasbad & Raboca)

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BENGZON NEGRE UNTALAN

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Legaspi Village, Makati City

GREETINGS:

Please be informed that Decision No. 2016 - 473 dated 16 December 2016 (copy enclosed) was promulgated in the above entitled case.

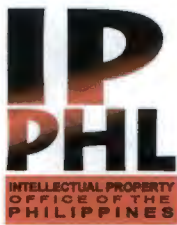
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 20 December 2016.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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IPC NO. 14-2010-00277
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DECISION

KABUSHIKI KAISHA YOSHIMURA JAPAN,¹ ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2004-007243. The registration issued to RICHARD LIM,² ("Respondent-Registrant"), covers the mark "YOSHIMURA" for use on "motorcycle parts & accessories, namely chains, sprockets, rims, rear cushions, tires, control cables, batteries, switch & light assemblies, bulbs, nuts, bolts, hubs, coils, mirrors, brake parts, switches, axles, engine parts, spokes & brake shoe assys" under Class 12 of the International Classification of Goods.³

The Petitioner alleges, among other things, that the Registration No. 4-2004-007243 for the trademark 'YOSHIMURA' issued in February 5, 2007 covering goods in Class 12 in the name of Richard Lim, should be cancelled, in accordance with Section 151.1 pars. (a) and (b), in relation to Section 123.1 pars (e) and (f) of R.A. 8293 otherwise known as the Intellectual Property Code of the Philippines. Petitioner also alleges that it is the registered owner and prior user of the internationally well-known marks "YOSHIMURA" and "YOSHIMURA with Japanese Characters" and has obtained registrations under Classes 7, 12, 25 and 38. According to Petitioner the marks "YOSHIMURA" and "YOSHIMURA with Japanese Characters" trace their origin in 1954 when Hideo Yoshimura established YOSHIMURA MOTORS in Fukuoka, Japan. From then on, the YOSHIMURA mark has become a legend in motorcycle and performance parts industry. Through the years, it introduced breakthrough technology in the motorcycle and performance parts industry. In Japan, the mark YOSHIMURA was registered on 28 April 1993. In the Philippines, the trademarks "YOSHIMURA" and "YOSHIMURA with Japanese Characters" were first used in 2005 through Performance Parts Corporation.

Petitioner's evidence consists of the following:

¹A foreign corporation organized and existing under the laws of Japan with address at 6748 Nakatsu Aikawa-Cho Aiko-Gun, Kanagawa-Ken.

²A resident of the Philippines with address at 2328 Severino Reyes St., Sta. Cruz, Manila.

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.

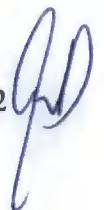
1. Legalized and authenticated Special Power of Attorney;
2. Authenticated Affidavit-Direct Testimony of Fujio Yoshimura
3. Certified copy of Certificate of Registration No. 2526980 for the mark YOSHIMURA in the name of Petitioner issued in Japan.
4. List of Trademark Application and Registration of the mark YOSHIMURA under Petitioner's name;
5. Certified copies of registration of the mark YOSHIMURA issued in Australia, Japan, China, France, South Korea, Malaysia, Germany and Thailand;
6. Promotional materials showing Petitioner's YOSHIMURA mark;
7. Yoshimura Japan Annual Sales Data;
8. Printout of Petitioner's website; and
9. Representative samples of Invoice issued by Petitioner dated 2005-2008.

On 21 December 2010, this Bureau issued a Notice to Answer and served a copy thereof to the Respondent-Registrant on 12 January 2011. After several motions, Respondent-Registrant filed the Answer on 11 May 2011 alleging that its registration is prima facie evidence of the validity of the registration, its ownership of the mark and its exclusive right to use the same in connection with the goods and services as specified in the certificate. Respondent-Registrant also alleges that Petitioner's YOSHIMURA mark is not a well-known mark as it did not present evidence relevant and competent evidence that it met the criteria. Respondent-Registrant also posits that it is prior owner and user of the mark YOSHIMURA in the Philippines having used the same as early as 2004 in contrast to Petitioner's first use which was in 2005 only.

Respondent-Registrant's evidence consists of the following:

1. Certified copy of Trademark Application filed on 11 August 2004 filed by Respondent for its mark YOSHIMURA;
2. Certified copy of Certificate of Registration No. 4-2004-007243 issued to Respondent;
3. Copy of Declaration of Actual Use for Respondent's YOSHIMURA mark filed on 02 April 2005.
4. Letter dated 03 May 2011 addressed to the Director of the Bureau of Trademarks.
5. Certified copy of the Declaration of Actual Use for Respondent's YOSHIMURA mark filed on 02 April 2005.

On 24 May 2011, Petitioner filed a Reply. Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation. However, the parties failed to settle their dispute. The preliminary conference was terminated and the parties were directed to submit position papers. On 17 October 2011 Respondent-Registrant filed its Position Paper while Petitioner did so on 27 October 2011.

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Should Trademark Registration No. 4-2004-007243 for the mark YOSHIMURA be cancelled?

Petitioner seeks the cancellation of Respondent-Registrant's YOSHIMURA mark on the ground that it is the true owner of the mark. The parties' marks are herein reproduced:

YOSHIMURA

YOSHIMURA

ヨシムラ YOSHIMURA

Petitioner's Mark

Respondent-Registrant's Mark

Indubitably, Respondent-Registrant's YOSHIMURA mark is identical to Petitioner's YOSHIMURA mark and confusingly similar to Petitioner's YOSHIMURA with Japanese Characters. In addition, Petitioner's mark is used on " *parts and fittings for motorcycle*" under Class 12 as shown in its certificate of registration issued in Japan. On the other hand, Respondent-Applicant's mark is used in "*motorcycle parts & accessories, namely chains, sprockets, rims, rear cushions, tires, control cables, batteries, switch & light assemblies, bulbs, nuts, bolts, hubs, coils, mirrors, brake parts, switches, axles, engine parts, spokes & brake shoe assys*" also under Class 12. As such, the similarity in the marks and the goods which the marks are used will likely cause confusion, mistake or deception on the part of the public that Petitioner's and Respondent's YOSHIMURA marks are one and the same.

Considering the similarity of the Respondent's trademark with Petitioner's, the latter is a proper party to institute this cancellation proceeding. Section 151 of the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or *its registration was obtained fraudulently or contrary to the provisions of this Act*, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used. xxx

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Thus, this Bureau needs to determine who between Petitioner and Respondent-Registrant is the true owner of the mark.

Section 138 of the IP Code provides, to wit:

Sec. 138. Certificates of Registration -A certificate of registration of a mark shall be 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.

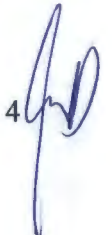
In *Berris v. Noroy Abdayang*⁴, the Supreme Court held:

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 R.A. No. 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, of 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. No. 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 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.** [Emphasis supplied.]

Clearly, it is not the application or registration of the mark which confers ownership. "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."⁵ Thus, while the certificate of registration issued to Respondent for its mark YOSHIMURA creates a *prima facie* presumption of the validity of registration and ownership thereof, such presumption can be controverted by evidence on the contrary, that is, by proving that the party seeking the cancellation of the mark has a prior right as against the registrant.

⁴ G.R. No. 183404, October 13, 2010.

⁵ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2015.

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The records of this case will show that at the time Respondent-Registrant applied for and granted registration of the mark YOSHIMURA in 05 February 2007, Petitioner has no pending application or registration of the mark YOSHIMURA. So that, between Respondent-Registrant and Petitioner, it would seem that the former is the prior adopter and user of the mark YOSHIMURA. However, Petitioner was able to prove that it is the real owner, prior adopter and user of the YOSHIMURA mark. Petitioner submitted its home registration in Japan, which dates back to 28 April 1993 or 11 years earlier than Respondent's use or adoption. As explained by Petitioner and as shown by its company profile, "Yoshimura Motors" was founded in Fukuoka, Japan in 1954 by Pop Yoshimura as a motorcycle performance and engine tuning company. So the mark YOSHIMURA was adopted from the name of its founder. The company and its mark through the years gained goodwill and good reputation in the motorcycle and motor sports industry because of its innovations in technology.

On the other hand, there is nothing on records that would show or explain how Respondent-Registrant came up with a identical or similar mark as that of Petitioner's. As such, the unexplained use by Respondent of the identical or similar mark lends itself open to the suspicion of fraudulent motive to trade upon Petitioner's goodwill and reputation, thus:

A boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, 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.⁶

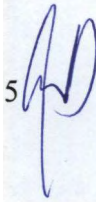
Furthermore, it must be stressed that since Respondent is involved in the business of selling/retailing motorcycle parts and accessories, a similar and/or related industry to where Petitioner belongs, it is expected to know its competitors and the products that customers prefer to buy for replacement of its motorcycle parts. In this case, Respondent did not only use a similar mark but in fact used an identical mark used by Petitioner in its motorcycle, motorcycle engines and motorcycle fittings and parts. This only bolsters the fact that Respondent-Registrant adopted the identical trademark of Petitioner in bad faith and with intent to ride on the goodwill and reputation of Petitioner.

Succinctly, the registration of the Respondent's YOSHIMURA mark, which is identical and/or confusingly similar to Petitioner's mark, is contrary to the provisions of the IP Code. The maintenance of Respondent-Registrant's mark in the Trademark Register is damaging and prejudicial to the best interest of the Petitioner.

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.⁷

⁶ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

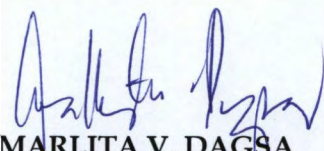
⁷ *Supra* note 4.

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WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2004-007243, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City **16 DEC 2016**



MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs