

TAIWAN KOLIN CO., LTD.,
Petitioner,

-versus-

KOLIN ELECTRONICS CO., INC.,
Respondent-Registrant.

} **IPC No. 14-2010-00332**
} Cancellation of:
} Reg. No. 4-2007-005421
} Date Issued: 22 December 2008

} **TM: KOLIN**

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NOTICE OF DECISION

PUYAT JACINTO & SANTOS

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GREETINGS:

Please be informed that Decision No. 2016 - 472 dated 16 December 2016 (copy enclosed) was promulgated in the above entitled case.

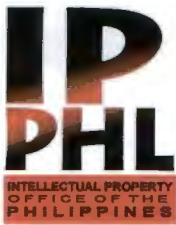
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

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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TAIWAN KOLIN CO., LTD.,
 Petitioner,
 - versus -
 KOLIN ELECTRONICS CO., INC.,
 Respondent-Registrant.

IPC No. 14-2010-000332
 Cancellation of:
 Reg. No. 4-2007-005421
 Date Issued: 22 December 2008
 Trademark: "KOLIN"
 Decision No. 2016 - 472

DECISION

TAIWAN KOLIN CO., LTD.,¹ ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2007-005421. The registration issued to KOLIN ELECTRONICS CO. INC.,² ("Respondent-Registrant"), covers the mark "KOLIN" for use on "*business of manufacturing, importing, assembling or selling electronic equipment or apparatus*" under Class 35 of the International Classification of Goods.³

The Petitioner alleges, among other things, that Respondent-Registrant cannot lawfully appropriate the exclusive use of the word "KOLIN" by way of registration under Class 09. According to Petitioner, its trademark registration for goods falling under Class 35 precedes the priority date of the subject mark. Petitioner also contends that Respondent-Registrant subsequent registration of its mark KOLIN under Class 35 violates the rule on requiring specific description of goods or services in the application for registration and misleads this Honorable Office into believing that the goods upon which the mark covers does not encroach upon Petitioner's goods, when in fact, the term "electronic equipment or apparatus" also covers Petitioner's line of goods.

Petitioner's evidence consists of the following:

1. Secretary's Certificate;
2. Materials showing air-conditioners bearing the mark KOLIN;
3. Materials showing refrigerators, freezers, electric fan, dehumidifiers, rice cooker bearing the mark KOLIN;
4. Certified true copy of the pending application for the mark KOLIN under Class 09 of Petitioner;
5. Certified copy of Petitioner's Certificate of Registration No. 4-2002-011004 for the mark KOLIN issued on 7 October 2007 for Class 21;
6. Certified true copy of the pending application for the mark KOLIN under Class 35 of Kolin Philippine International, Inc.; and
7. Certified copy of Certificate of Registration No. 4-2007-005421 for the mark KOLIN issued to Kolin Electronics Co., Inc. on 7 October 2007 for Class 35.

¹A foreign corporation organized and existing under the laws of Taiwan with business address at 10/F 86 Chungching S. Road Sec. 1 Taipei, Taiwan.
²A domestic corporation with principal business at No 2788 Anacleto Street, 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.

On 07 February 2011, this Bureau issued a Notice to Answer and personally serve to Respondent-Registrant's counsel on 22 February 2011. After several motions for extension, Respondent-Registrant's file its Answer on 01 July 2011 alleging the following:

1. The Petition should be dismissed outright for failure to comply with Section 7.3, Rule 2 of the Regulations on Inter Partes Proceedings.

2. Respondent-Registrant is the first user of the mark KOLIN in the Philippines which was confirmed by the Bureau of Legal Affairs' Decision dated 27 December 2002 in IPC Case No. 14-1998-00050.

Respondent-Registrant's evidence consists of the following:

1. Articles of Incorporation of Kolin Electronic Company Incorporated;
2. Certified copy of the Application Serial No. 4-2007-005421 for the mark KOLIN filed by Respondent-Registrant;
3. Certified copy of the Deed of Assignment of Assets dated November 20, 1995;
4. Certified copy of Decision dated 27 December 2002 in Inter Partes Case No. 14-1998-00050;
5. Certified copy of Decision of the Office of the Director General dated November 6, 2003 in Appeal Case No. 14-03-24;
6. Certified copy of Order No. 2004-397 dated July 21, 2007 in IPC Case No. 14-1998-00050;
7. Certified copy of Decision of the Court of Appeals in CA-G.R. SP No. 80641 dated 31 July 2006;
8. Certified copy of the Declaration of Actual Use for the mark KOLIN under Cert. of Registration No. 4-1993-087497;
9. Certified copy of Trademark Registration No. 4-2007-005421 issued to Respondent-Registrant;
10. Certified copy of Exhibits "L" to "L- 2" and "M" attached to the Verified Notice of Opposition in IPC No. 14-2006-00064; and
11. Certified copy of the Certificate of Registration NO. 4-1993-087497 for the mark KOLIN issued to Respondent-Registrant on 23 November 2003.

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. After the termination of the preliminary conference, the parties were directed to file their position papers. On 27 October 2011, Petitioner and Respondent-Registrant filed their respective Position Papers.

Should Trademark Registration No. 4-2007-005421 for the mark KOLIN be cancelled?

Section 138 of the Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("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.

Since a certificate of registration is merely prima facie evidence of the validity of registration, it may be challenged. The presumption can be overcome, in an appropriate action, by proof of the nullity of the registration. In this regard, 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

Petitioner claims that its trademark registration for goods falling under Class 35 precedes the priority date of the Respondent-Registrant's KOLIN mark and that the designation of the goods/services which includes electronic equipment or apparatus encroaches upon the goods/services which its own KOLIN mark has been used.

In this regard, Section 123.1 (d) of the 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;

The above provision prohibits the registration of a mark which is identical or confusingly similar to a registered mark or a mark with an earlier or prior filing date.

Records will show that Petitioner filed its application for registration of the mark KOLIN on 27 December 2002 for used on "*business of manufacturing, importing, assembling, selling products as: airconditioning units, television sets, audio/video electronic equipment, refrigerators, electric fans and other electronic equipment or product of similar nature.*" On the other hand, Respondent-Registrant filed the application for registration of its KOLIN mark for use on "*business of manufacturing, importing, assembling or selling electronic equipment or apparatus*" only on 29 May 2007, which is a later date than that of Petitioner. So as between Petitioner and Respondent-Registrant, the former has prior right over the mark KOLIN for Class 35 although Respondent's mark was first registered.

But are the marks of the parties confusingly similar as to likely cause confusion, mistake or deception on the part of the public? The marks of the parties are reproduced herein:

KOLIN

Petitioner's Mark

KOLIN

Respondent-Registrant's Mark

There is no doubt that the parties' marks are similar. Although they are written in different kind of fonts, their similarity is highlighted because they both use the word "KOLIN". However, as ruled by the Supreme Court, the fact that one person has first adopted and used a mark does not prevent others from adopting and using a similar mark on articles/ services that are different. In this regard, the Court's ruling in *Taiwan Kolin Corporation Ltd. v. Kolin Electronics Co., Inc.*⁴, which involves the very same parties in this cancellation proceedings, is instructive, to wit:

A certificate of trademark registration confers upon the trademark owner the exclusive right to sue those who have adopted similar mark not only in connection with the goods or services specified in the certificate, but also with those that are related thereto.

In resolving one of the pivotal issues in this case—whether or not the products of the parties involved are related—the doctrine in *Mighty Corporation* is authoritative. There, the Court held that the goods should be tested against several factors before arriving at sound conclusion on the question of relatedness. Among these are:

- (a) the business (and its location) to which the goods belong;
- (b) the class of product to which the goods belong;
- (c) the product's quality, quantity, or size, including the nature of the package, wrapper or container;
- (d) the nature and cost of the articles;
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality;
- (f) the purpose of the goods;
- (g) whether the article is bought for immediate consumption, that is, day-to-day household items;
- (h) the fields of manufacture;
- (i) the conditions under which the article is usually purchased; and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.

As mentioned, the classification of the products under the NCL is merely part and parcel of the factors to be considered in ascertaining whether the goods are related. It is not sufficient to state that the goods involved herein are electronic products under Class in order to establish relatedness between the goods, for this only accounts for one of many considerations enumerated in *Mighty Corporation*. In this case, credence is accorded to petitioner's assertions that:

- a. Taiwan Kolin's goods are classified as home appliances as opposed to Kolin Electronics' goods which are power supply and audio equipment accessories;
- b. Taiwan Kolin's television sets and DVD players perform distinct function and purpose from Kolin Electronics' power supply and audio equipment; and
- c. Taiwan Kolin sells and distributes its various home appliance products on wholesale and to accredited dealers, whereas Kolin Electronics' goods are sold and flow through electrical and hardware stores.

Clearly then, it was erroneous for respondent to assume over the CA to conclude that all electronic products are related and that the coverage of one electronic product necessarily precludes the registration of similar mark over another. In this digital age wherein electronic products have not only diversified by leaps and bounds, and are geared towards interoperability, it is difficult to assert readily, as respondent simplistically did, that all devices that require plugging into sockets are necessarily related goods.

It bears to stress at this point that the list of products included in Class can be sub-categorized into five (5) classifications, namely: (1) apparatus and instruments for scientific or research purposes, (2)

⁴ G.R. No. 209843, 25 March 2015

information technology and audiovisual equipment, (3) apparatus and devices for controlling the distribution and use of electricity, (4) optical apparatus and instruments, and (5) safety equipment. From this sub-classification, it becomes apparent that petitioner's products, i.e., televisions and DVD players, belong to audio-visual equipment, while that of respondent, consisting of automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC, generally fall under devices for controlling the distribution and use of electricity.

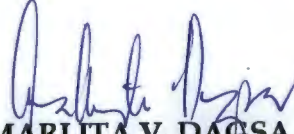
In the same light, it bear stressing that Petitioner's application for the mark KOLIN for Class 35 is very specific, which is for "*business of manufacturing, importing, assembling, selling audio-visual products, refrigerators and electric fans and products of similar nature*" which is different and not related from what Respondent's KOLIN mark is registered for under Class 35, which is for *business of manufacturing, importing, assembling or selling electronic equipment or apparatus*" that may include apparatus and devices for controlling the distribution and use of electricity.

Accordingly, there is no reason or basis for this Bureau to cancel Respondent-Registrant's mark KOLIN.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **DISMISSED**. Let the filewrapper of Trademark Reg. No. 4-2007-005421 be returned, together with a copy of this Decision, 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