

KOMET GROUP GMBH,  
Opposer,

-versus-

TOMITA INDUSTRIAL & MACHINERY, INC.,  
Respondent- Applicant.

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}  
} IPC No. 14-2014-00118  
} Opposition to:  
} Appln. No. 4-2012-009621  
} Date Filed: 03 August 2012  
} TM: "KOMET"

**NOTICE OF DECISION**

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**TOMITA INDUSTRIAL & MACHINERY, INC.**  
Respondent-Applicant  
5<sup>th</sup> Floor, Toyoma Group Center  
22 Timog Avenue, Quezon City

**GREETINGS:**

Please be informed that Decision No. 2017 - 89 dated March 22, 2017 (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, March 23, 2017.

  
**MARILYN F. RETUTAL**  
IPRS IV  
Bureau of Legal Affairs

**KOMET GROUP GMBH,**  
Opposer,  
  
-versus-

IPC No. 14-2014-00118  
Opposition to Trademark  
Appln. No. 4-2012-009621  
Date Filed: 03 August 2012

**TOMITA INDUSTRIAL & MACHINERY, INC.,**  
Respondent-Applicant.

Trademark: "KOMET"

X -----X

Decision No. 2017- 89

### DECISION

Komet Group GMBH<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-009621. The contested application, filed by Tomita Industrial & Machinery, Inc.<sup>2</sup> ("Respondent-Applicant"), covers the mark "KOMET" for use on *"hand tools namely, hand hack blades, power hack saw blades, circular saws, band saw blades, jigsaw & saber saw blades, hole saws, cutters, drills, planers, saws, hack saws for cutting metals, riveters, grass cutters, sanders, jigsaws, hammers, torque multiplier, bench mount vise, wrenches, socket wrenches, pipe wrenches, torque wrench, hex key, metal punch and chisel set, angle wrenches, flex gear wrenches, files, screw drivers, pliers, crow bars, staple gun, manual/hand operated pipe threaders, scissors, chippers, rakes, hoes, weeding forks, spades, puners, pikes, shovels, clamps, files, socket sets, htches, vices, riveting tools (riveters), chisels, tool belts, carpenter's clamps, carpenter's pincers, (nail pullers), carpenter's levels, carpenter's rules, wire cutter, wire strippers, wire nippers, wire crimpers, welding and cutting outfit, plumb box, wrenches, combination wrench spanner set, adjustable wrenches, pipe wrenches, combination piers, long nose pliers, bolt cutter, aviation snip, magnetic screw driver set, metal cutting scissors, (tin shears), cutting pliers, (lineman's pliers), blow torch, augers, bi-metal hole saws, hss hole saws, hand taps, dies drill bits, masonry bits, hexagonal bits, sds max bits, hexagonal bits, knives, blades, hacksaw blades, cutting tools"* under Class 08 of the International Classification of Goods<sup>3</sup>.

According to the Opposer, it traces its origins as far back as 1918, when it was founded by Robert Breunig, an ingenious designer and inventor. It introduced the name "KOMET" in 1924. It is an independent manufacturer of precision tools for the metal precision machining. Its business activities include the development, manufacture and marketing of cutting tools and related services. It has various

<sup>1</sup>A corporation established under the laws of Germany with address at Zeppelinstrasse 3, Besigheim 74354, Germany.

<sup>2</sup>With known address at 5F Toyoma Group Center, 22 Timog Avenue, Quezon City.

<sup>3</sup>The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

products and services bearing the trademark "KOMET" and different variations thereof. It has moreover registered the marks worldwide, the earliest of which was in Germany issued on 18 November 1922. Furthermore, it has entered into a long-term licensing agreement with Wittman-Komet Metal Cutting Saws GMBH & Co. KG, whereby the latter is authorized to use its "KOMET & DEVICE" mark. Through the said licensee, it has sold products bearing its marks in the Philippines. The Opposer thus objects the subject application for being confusingly similar to its "KOMET" marks. In support of its opposition, the Opposer submitted as evidence the following:<sup>4</sup>

1. Joint affidavit-direct testimony of Fr. Christof Bönsch and Matthias Heinz, with annexes; and
2. Affidavit-direct testimony of Janesa P. Calugay, with annexes.

A Notice to Answer was issued and served upon the Respondent-Applicant on 29 April 2014. The latter, however, did not file its Answer. Thus, on 12 September 2014, the Adjudication Officer issued Order No. 2014-1151 declaring the Respondent-Applicant in default and the case submitted for resolution.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "KOMET".

The competing marks, as shown below,

*Opposer's marks:*

**KOMET**  **KOMET**

*Respondent-Applicant's mark:*

 **KOMET**

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<sup>4</sup> Marked as Exhibits "B" and "C", inclusive.



are clearly identical. The competing marks commonly appropriate the word "KOMET" with or without the falling star device. Noteworthy, both the Opposer and the Respondent-Applicant uses or intends to use their respective marks on similar and/or related products.

Records reveal that at the time the Respondent-Applicant filed an application for registration of the mark "KOMET" on 03 August 2012, the Opposer has no pending application and/or existing registration in the Philippines. Regardless of this fact, the Opposer is still a proper party of the opposition proceedings in view of the provisions of Section 165.2 of the IP Code, which provides:

***"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.*** (Emphasis supplied.)

The mark "KOMET" is unquestionably the prevalent feature of the tradename of the Opposer. Thus, it has interests that may be damaged by the filing of the contested person as the public may likely be confused or misled that the Respondent-Applicant's goods is in any way connected to them. Prior registration of the trade name is not a prerequisite for its protection. This is explained by the Supreme Court in the case of **Coffee Partners, Inc. vs. San Francisco Coffee and Roastery, Inc.**<sup>5</sup>, as follows:

***"In Philips Export B.V. v. Court of Appeals, this Court held that a corporation has an exclusive right to the use of its name. The right proceeds from the theory that it is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same name, or the same name with a slight variation in such a way as to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name."***

The Opposer, in this case, basically raises the issue of ownership. It imputes fraud and bad faith on the Respondent-Applicant in procuring registration over the mark "KOMET" claiming that it is the lawful and rightful owner thereof.

The Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 15 of the TRIPS Agreement reads:

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<sup>5</sup> G.R. No. 169504, 03 March 2010.

**Section 2: Trademarks**  
**Article 15**  
**Protectable subject Matter**

- 1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.**
- 2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).**
- 3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.**
- 4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.**
- 5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.**

Further, Article 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, not shall they affect the possibility of Members making rights available on the basis of use.**



Significantly, Section 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

**"121.1. 'Mark' means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)"**

Section 122 of the IP Code states:

**"Sec. 122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)"**

There is nothing in Section 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Section 138 of the IP Code provides:

**"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 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."** (Emphasis supplied)

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.<sup>6</sup> 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 **Shangri-la International Hotel Management, Ltd. vs. Developers Group of Companies**<sup>7</sup>, the Supreme Court held:

<sup>6</sup> See Section 236 of the IP Code.

<sup>7</sup> G.R. No. 159938, 31 March 2006.

***"By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark applied for, he has no right to apply the registration off the same."***

A registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**<sup>8</sup>, the Supreme Court made the following pronouncement:

***"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."***

In this case, the Opposer substantially proved that it has used and appropriated the mark "KOMET" even before the Respondent-Applicant filed the contested application. Its registrations of the said mark in different countries including in United States issued as early as 16 June 1992 and in Singapore on 23 October 1996. In addition, it has shown advertising materials bearing the "KOMET" mark and invoices for its products. Also, the Trademark Licensing Agreement with Wittman-Komet Metal Cutting Saws GMBH & Co. KG shows that the same was entered into way back 2006. These pieces of evidence support the Opposer's claim of ownership over the mark "KOMET". As owner, it has the exclusive right to register or authorize to register the said mark.

Finally, 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

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<sup>8</sup> G.R. No. 183404, 13 October 2010.

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. To allow Respondent-Applicant to register the subject mark, despite its bad faith, will trademark registration simply a contest as to who files an application first with the Office.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2012-009621 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, 22 MAR 2017

  
**Atty. Z'SA MAY B. SUBEJANO-PE LIM**  
Adjudication Officer  
Bureau of Legal Affairs