





IRONMAN 4X4 PTY. LTD., Opposer,

-versus-

IPC No. 14-2014-00052 Opposition to: Appln. Serial No. 4-2011-003638 Date Filed: 30 March 2011 TM: "IRONMAN AND DEVICE"

DELFIN C. DE LEON, Respondent- Applicant.

NOTICE OF DECISION

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JAYSON G. MAHUSAY

Respondent-Applicant's Representative 1164 Padre Algue Street Tondo, Manila

GREETINGS:

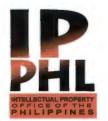
Please be informed that Decision No. 2017 - 155 dated May 12, 2017 (copy enclosed) was promulgated in the above entitled case.

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, May 15, 2017.

Marily J. Kitulier

MÁRILYN F. RETUTAL IPRS IV Bureau of Legal Affairs



IRONMAN 4X4 PTY. LTD,

Opposer,

-versus-

DELFIN C. DE LEON,

Respondent-Applicant. }

IPC No. 14-2014-00052

Opposition to: Application No. 4-2011-003638 Date Filed: 30 March 2011 Trademark: "IRONMAN AND DEVICE"

Decision No. 2017-___55

DECISION

IRONMAN 4 X 4 PTY. LTD.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-003638. The application, filed by Delfin C. De Leon² ("Respondent-Applicant"), covers the mark "IRONMAN AND DEVICE" for use on "fuel filter, oil filter, cylinder liners, piston liner, engine liners, piston ring assembly, gasket, bell crank, cylinder rod, cylinder head, fullest overhauling gasket, oil seal, valve seal, cylinder head gasket, brake lining, automotive belts, timing belts, cog belts, fan belts" under Class 07 and "chassis components namely, axle spring (chassis spring), stabilizers, car-body braces, anti-shock pads, leaf spring, shock absorber, hydraulic jack, coil spring, bolts, nuts, brake drums, brake rotor disc, motor v, rims, tire rims" under Class 12 of the International Classification of Goods and Services.³

The Opposer alleges:

X X X IV. GROUNDS IN SUPPORT OF THIS OPPOSITION

"10. The Respondent-Applicant's application for registration of the mark IRONMAN should not be accepted by this Honorable Office since to do so would be contrary to Section 123.1 (d) and Section 123.1 (f) of of the Intellectual Property Code, which prohibits the registration of a mark that:

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"11. The act of the Respondent-Applicant in adopting the mark IRONMAN for its motor vehicle parts and accessory products in International Class 7 & 12 is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of the Opposer's well-known IRONMAN 4 X 4 mark, that was previously registered before this Honorable Office. Such act of the Respondent-Applicant results in the diminution of the value of the Opposer's internationally well-known IRONMAN 4 x 4 mark.

With address on record at Unit A10/2A Westall Road, Clayton 3168, Victoria, Australia.

² With address at 1161 Padre Algue St., Tondo, Manila, Philippines.

³The 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.

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"12. The Opposer's internationally well-known IRONMAN 4 X 4 mark is registered in International Class 12, for motor vehicle parts and accessories, identical to the class to which the Respondent-Applicant seeks registration for its IRONMAN mark. Further, because the Opposer's mark is internationally well-known, the same is likely to be associated with the Respondent-Applicant's IRONMAN mark leading to consumer confusion.

"13. Goods are related when they belong to the same class, or have the same descriptive properties, or when they possess the same physical attributes or characteristics, with reference to their form, composition, texture or quality.

"14. The Opposer's mark has been used worldwide for more than twenty (20) years. The product was first used and registered in Australia in 1999, and has been openly and continuously used since then. Moreover, the certificates of registration that the Opposer has obtained all over the world, included in the Affidavit attached hereto as Annex 'B', is evidence that the Opposer's mark IRONMAN 4 X 4 is internationally well-known and warrants protection.

"15. The Respondent-Applicant's mark is visually, aurally, phonetically and conceptually similar to the Opposer's internationally well-known IRONMAN 4 X 4 mark that was previously registered in the Philippines and elsewhere in the world. The IRONMAN 4 X 4 mark is undeniably a distinct brand name for the Opposer's products and because of the superiority of these products along with the use of an ingenious mark led to the recognition of the Opposer's products bearing the IRONMAN 4 X 4 trademark as one of the leading brands for motor vehicle parts and accessory products around the world, including the Philippines.

"16. As one of the means of promoting the Opposer's products, it has invested in and heavily sponsored the motor sporting industry by organizing the Ironman 4x4 adventure challenge WA. It likewise sponsored various well-known and well-publicized motors sporting events including, but not limited to: the AZLRO Arizona Rally, The Dakar Rally and the LandOps Operation. The attempt of the Respondent-Applicant to register his mark IRONMAN & DEVICE for products that directly relate to the automotive industry will definitely lead to confusion among the Filipino public as it falsely suggests business associations, linkages and/or sponsorships due to the vital participation of the Opposer in activities associated with the automotive industry.

"17. The Opposer's products have been featured on several internet websites like <u>www.overlander.com.au</u>, <u>www.4wdtoyotaowner.com</u>, <u>www.4wdaction.com.au</u> and <u>www.4wdmag.com</u> among others. Copies of these internet write-ups are attached as ANNEX 'C'.

"18. The Respondent-Applicant's mark IRONMAN closely resembles and is very similar to the Opposer's internationally well-known IRONMAN 4 X 4 mark that was previously registered in the Philippines and elsewhere in the world. The resemblance of the Opposer's and the Respondent-Applicant's respective marks is most evident upon a juxtaposition of the said marks.

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"19. The Opposer's mark IRONMAN 4 X 4 and the Respondent-Applicant's mark IRONMAN are identical and/or similar, in the following respects, to wit:

- "19.1 Both marks contain the word marks, IRONMAN 4 X 4 and IRONMAN;
- "19.2 Both marks contain the word IRONMAN which when applied to identical/similar goods heighten the visual, aural, phonetic and conceptual similarity between the marks;
- "19.3 Both use seven (7) identical letters namely, 'I', 'R', 'O', 'N', 'M', 'A', and 'N'. Consumer confusion arises inevitably with the use of seven (7) identical letters in the same 'position' out of the letters for each mark to identify the goods in the marketplace. The only difference is the '4 X 4' which is present in Opposer's mark. It is undeniable that even a prudent purchaser will have a hard time choosing and distinguishing one product from the other. It is without question that allowing the Respondent-Applicant to use the mark IRONMAN for the same kind of goods, i.e. motor vehicle parts and accessories, on which the internationally well-known IRONMAN 4 X 4 mark is used on would inevitably lead to diluting the distinctiveness of the well known mark especially between competitors in the same industry; and
- "19.4 Both marks are applied for, used or intended to be used in the similar class of goods namely in International Class 12.

"20. Goods bearing the Opposer's mark IRONMAN 4 X 4 and the Respondent-Applicant's mark IRONMAN are commercially available to the public through the same channels of trade such that an undiscriminating buyer might confuse and interchange the products bearing the Respondent-Applicant's mark IRONMAN for goods bearing the Opposer's internationally well-known IRONMAN 4 X 4. It is worthy to mention that the relevant consumers affected herein will be the buyers of motor vehicle parts and accessory products. Naturally, consumers would merely rely on recollecting the dominant and distinct wording of the marks. There is a great similarity and not much difference between the Opposer's mark IRONMAN 4 X 4 and the Respondent-Applicant's mark IRONMAN. Thus, confusion will likely arise and would necessarily cause the interchanging of one product with the other.

"21. Considering the fact that the goods involved are related and proceed from the same channels of trade, the possibility of confusion is more likely to occur in light of the fact that ordinary consumers, who normally choose the products of wellknown brands, and who may mistakenly believe that the goods of the Respondent-Applicant is one of or affiliated with the Opposer's goods.

"22. The Respondent-Applicant's IRONMAN mark so closely resembles the Opposer's internationally well-known IRONMAN 4 X 4 mark that the Filipino public will undoubtedly confuse one with the other or worse, believe that goods bearing the Respondent-Applicant's mark IRONMAN originate from the Opposer, or, at least, originate from economically linked undertakings.

"23. In American Wire & Cable Co. v. Director of Patents, 31 SCRA 544, 547-548 (1970), the Supreme Court through Justice J.B.L. Reyes ruled:

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"24. In addition, under the rule of idem sonans, it is clear that there is a confusing aural similarity between the marks. The Supreme Court has held that the

mark 'Gold Top is 'aurally' similar to 'Gold Toe'. Furthermore, in McDonald's vs. L.C. Big Mak, 437 SCRA 10, 34 (2004) citing Marvex Commercial Co., Inc. vs. Petra Hawpia & Co., et al., Phil 295, 18 SCRA 1178 (1966) the Supreme Court held:

"Considering that both marks start with the word 'IRONMAN', coupled with the fact that all seven (7) letters of IRONMAN, in the same sequence, appear in the Opposer's mark IRONMAN 4 X 4, it cannot be denied that the two marks are aurally similar and would likely cause confusion amongst the Filipino consumers.

"25. Of all the possible combinations of the letters of the alphabet and words, the Respondent-Applicant chose to use the mark IRONMAN to identify its goods in International Class 12, which are in direct competition with the Opposer's goods, also in International Class 12 and identified by the well-known trademark IRONMAN 4 X 4. It cannot be gainsaid that confusion will arise inasmuch as the goods are similar to the same kind of goods, namely, motorcycle vehicle parts and accessories. As motor vehicle parts and accessories stores possibly side by side, making both product types flow through the same channels of trade, thus making the Opposer and the Respondent-Applicant competitors in the same product industry. No conclusion can be drawn surrounding the case other than the fact that the Respondent-Applicant is knowingly and deliberately attempting to trade on the valuable goodwill and to ride on the notoriety of the Opposer's internationally well-known IRONMAN 4 X 4 mark that has been used throughout the world for several decades including in the Philippines.

"26. Clearly, the registration and use of the Respondent-Applicant mark's IRONMAN is a usurpation of the internationally well-known mark IRONMAN 4 X 4, a mark legally owned by the Opposer, as well as the goodwill associated therewith and/or passing off its own products, as those manufactured by the Opposer.

"26.1 By the Respondent-Applicant's attempt to register and use the mark IRONMAN for its goods in International Class 12, it is plain that the Respondent-Applicant seeks to take advantage of the worldwide and nationwide reputation of the internationally well-known mark IRONMAN 4 X 4 that the Opposer has gained by ingenious and persistent marketing and the expenditure of considerable sums of money to promote the same, by confusing and misleading the trade and the Filipino public in passing off its own products as those of the Opposer and/or suggesting that they are being sold or are approved by the Opposer.

"27. The registration of the Respondent-Applicant's mark IRONMAN will lead the purchasing public to believe that the goods of the Respondent-Applicant emanate from the Opposer. If the products of the Respondent-Applicant are inferior in quality, there will be grave and irreparable injury to the Opposer's valuable goodwill and to its internationally well-known IRONMAN 4 x 4 mark. Furthermore, the use and registration of the mark IRONMAN by the Respondent-Applicant will dilute and diminish the distinctive character of the Opposer's internationally well-known IRONMAN 4 X 4 mark.

"28. The Respondent-Applicant seeks to register the mark IRONMAN which is confusingly similar to the Opposer's internationally well-known IRONMAN 4 X 4

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mark, as to be likely, when applied to the goods of Respondent-Applicant, to cause confusion, mistake or deception to the Filipino public as to the source of goods, and will inevitably falsely suggest a trade connection between the Opposer and the Respondent-Applicant, is simply violative of the Intellectual Property Code of the Philippines.

"29. The Supreme Court discussed these two types of trademark confusion in Mighty Corporation, et. al. vs. E. & J. Gallo Winery, et. al., G.R. No. 154342, July 14, 2004, 434 SCRA 473, 504, thus:

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"Allowing Respondent-Applicant to use the mark 'IRONMAN' in its goods under International Class 12, would not only allow it to take a free ride and reap the advantages of the goodwill and reputation of the Opposer's mark, but it would also confuse the consuming public who would be led to believe that the products sold by the Respondent-Applicant are produced and manufactured by the Opposer, or at the very least, are variants of the Opposer's products. Clearly, the risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the general purchasing public could reasonably be misled into believing that the goods of the parties originated from one and the same source.

"30. In Del Monte vs. Court of Appeals, it was ruled that in determining the existence, or the threat of infringement, a cursory examination will suffice, a thorough examination of the product is not necessary. Thus, the Supreme Court had this to say:

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"Thus, applying a cursory examination, the similarities of the two marks are undeniable and one would easily be misled that to believe that IRONMAN 4 X 4 is IRONMAN or that IRONMAN originated from, or is a product of IRONMAN 4 X 4 PTY. LTD.

"31. In the case of Societe Des Produits Nestle, S.A. vs. Dy, Jr., the Supreme Court held that:

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"32. Moreover, in the case of McDonald's Corporation vs. L.C. Big Mak Burger, Inc., et.al., the Supreme Court had occasion to rule that, 'while proof of actual confusion is the best evidence of infringement, its absence is inconsequential'.

"33. Thus, the denial of the registration of Trademark Application No. 4-2011-003638 for the mark IRONMAN by this Honorable Office is authorized and warranted under the provisions of the Intellectual Property Code of the Philippines.

The Opposer's evidence consists of the Special Power of Attorney executed by the Opposer in favor of Cesar C. Cruz and Partners Law Offices; the Affidavit of Thomas Eric (Tom) Jacob, Managing Director of IRONMAN 4 X 4 PTY, LTD.; and copies of internet write ups.⁴

⁴Marked as Annexes "A" to "C".

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 06 May 2014. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark IRONMAN AND DEVICE?

The Opposer anchors its opposition on the following provisions of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

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

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- (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;"
- (f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

A comparison of the competing marks reproduced below:





Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur. Even with the presence of a device consisting of the "O" as a representation of a man in red color, what draws the eyes and the ears with respect to the Respondent-Applicant's mark is the word "IRONMAN". The word "IRONMAN" is the prominent, in fact, the definitive feature of the Opposer's trademarks IRONMAN and IRONMAN 4 X 4. This Bureau noticed that the goods covered by the marks are similar or closely-related. Designated as IRONMAN AND

DEVICE, Respondent-Applicant's goods are "fuel filter, oil filter, cylinder liners, piston liner, engine liners, piston ring assembly, gasket, bell crank, cylinder rod, cylinder head, fullest overhauling gasket, oil seal, valve seal, cylinder head gasket, brake lining, automotive belts, timing belts, cog belts, fan belts" under Class 07 and "chassis components namely, axle spring (chassis spring), stabilizers, car-body braces, anti-shock pads, leaf spring, shock absorber, hydraulic jack, coil spring, bolts, nuts, brake drums, brake rotor disc, motor v, rims, tire rims" under Class 12. Opposer's products covered under IRONMAN and IRONMAN 4X4 marks are "shock absorbing springs for motor vehicles including leaf springs, coil springs and torsion bars; parts and accessories for the aforementioned goods; none of the foregoing being for use in relation to cycles and bicyles being goods in class 12", "vehicle recovery equipment in this class, including shackles, chains and snatch-blocks and parts and accessories for the aforementioned goods in this class being goods in class6", "vehicle winches, including manual and electric winches and parts and accessories for the aforementioned goods in this class being goods in class7", and "parts and accessories for vehicles in this class, including batteries, battery boxes, battery chargers and portable dual battery managers being goods in class 9".

Confusion is likely in this instance because of the close resemblance between the marks, both contain the dominant word IRONMAN, and the goods are intimately related. Opposer's goods and the Respondent-Applicant's products are in the category of motor vehicle parts and accessory products. The Supreme Court in *ESSO Standard Eastern, Inc. vs. Court of Appeals, et. al*,⁵ defined what are essentially closely related goods under the trademark law as :

"Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. Thus, biscuits were held related to milk because they are both food products."

As such, there is likelihood that the public will be confused or mistaken into believing that Respondent-Applicant's mark is just a variation of Opposer's mark or that their goods come from the same source or manufacturer.

The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties

⁵ 201 Phil 803.

are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁶

The Respondent-Applicant's filing of their trademark application in the Philippines may be earlier than the Opposer's, but the latter raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

In this regard, this Bureau emphasizes that 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 of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 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, nor shall they affect the possibility of Members making rights available on the basis of use.

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.⁷ 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 *Shen Dar Electricity Machinery Co., Ltd. v. E.Y. Industrial Sales Inc., Engracio Yap, et. al.,⁸*, the Director General held:

The IP Code adheres to the existing rationale of trademark registration. That is, certificates of registration should be granted only to the real owners of trademarks.

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

⁷ See Sec. 236 of the IP Code.

⁸Appeal No. 14-06-09 dated 28 May 2007.

While the 'First-to-File' rule is the general rule for trademark applications filed under and governed by RA 8293, it is not to be applied if there is a determination in appropriate proceedings:

- 1. That the 'first-filer' is not the owner of the trademark or is not authorized by the owner to procure registration of the trademark in his, her, or its favor; or
- 2. That the adoption and/or use by the 'first-filer' of the trademark, even in good faith, is preceded by an actual use by another, also in good faith, prior to the taking into force and effect of RA. 8293.'

In this instance, the Opposer proved that it is the originator and owner of the contested mark. As stated, "Ironman 4x4 products are designed in Australia and distributed throughout the world. Originally established in 1958, as a Melbourne based suspension parts manufacturer, named Jacob Spring Works. The company in 1982 took shape as JSW Parts, (short for Jacob Spring Works) to design and supply leaf and coil springs for cars, trucks, buses and 4x4 vehicles. JSW Parts soon became well known as a manufacturer and supplier of suspension parts all around the world. IN 1988 JSW Parts launched the IRONMAN 4x4 Brand of springs and suspension parts in response to the increasing popularity of 4x4 vehicles, recognizing that standard suspension systems alone were not designed to cope with additional load of bull bars, winches and extra fuel".9 Opposer has likewise registered its IRONMAN trademarks in several countries around the world.¹⁰ In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend his trademark application and to explain how he arrived at using the mark IRONMAN AND DEVICE which is identical or closely-resembles that of the Opposer's. In fact, IRONMAN is not only used as a trademark but also part of the Opposer's trade name or business name. Trade names or business names are protected under Section 165 of the IP Code. It is incredible for the Respondent-Applicant to have come up with exactly the same or similar mark for use on similar and/or related goods by pure coincidence.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹¹

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.

⁹ See Par. 4 of Annex "B" for the Opposer.

¹⁰ Annex "B" for the Opposer.

¹¹ American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 Feb. 1970.

distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

There is no doubt, therefore, that the subject trademark application is covered by the proscription under Sec. 123.1 (d) (iii) and Section 165 of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-003638 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, 12 MAY 2017

tty. JOSEPHINE C. ALON Adjudication Officer, Bureau of Legal Affairs