

TOYOTA JIDOSHA KABUSHIKI KAISHA
(also known as Toyota Motor Corporation),
Opposer,

-versus-

ALEX KING F. ONG,
Respondent- Applicant.

X-----X

}
} IPC No. 14-2013-00387
} Opposition to:
} Appln. Serial No. 4-2013-500924
} Date Filed: 26 April 2013
} TM: "ALEXUS"
}
}
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}
}

NOTICE OF DECISION

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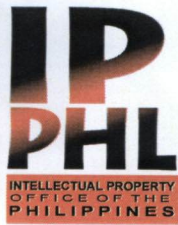
GREETINGS:

Please be informed that Decision No. 2017 - 217 dated June 13, 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, June 13, 2017.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



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(also known as Toyota Motor Corporation),
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IPC No. 14-2013-00387
Opposition to:

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Date Filed: 26 April 2013
Trademark: "ALEXUS"

Decision No. 2017 - 217

DECISION

TOYOTA JIDOSHA KABUSHIKI KAISHA [also known as Toyota Motor Corporation] ("Opposer")¹, filed a verified opposition to Trademark Application Serial No. 4-2013-500924. The application, filed by ALEX KING F. ONG ("Respondent-Applicant")², covers the mark "ALEXUS" for use on goods under the class 07³ namely: *paper converting machines and machine spare parts*.

The Opposer alleges that the company, founded in 1937, is one of the biggest and most dynamic multinational automaker in the world with its household car brands: TOYOTA, SCION, LEXUS, DAIHATSU and HINO Motors. In 1983, the LEXUS brand which was formed combining the words luxury and elegance, was used as its trade name, brand name and trademark for luxury vehicles. It further alleges that it is the first to adopt, use and register the well-known mark LEXUS when it was registered in 1987. To date, there are more than 300 worldwide trademark registrations for the LEXUS mark and various pending registrations. In the Philippines, they are issued registrations for the LEXUS marks in classes 12, 6, 14, 16, 18, 25, 28 and 34. The LEXUS line of vehicles are marketed in over 70 countries and has ranked as one of the 10 largest global brands in the automobile industry. It has numerous industry awards and recognition. Moreover, the Opposer has exerted efforts and has spent considerable amount of resources to promote its LEXUS mark and its goodwill including print advertisements, motor shows, sponsorship of worldwide events and maintain websites.

By reason of the fame of the LEXUS trademark, it has expanded its coverage of goods to include clothing, sports and travel accessories, caps, towels, umbrellas, pouches, wallets, card holders, writing materials, mugs, stuffed toy animals and more. Thus, the Opposer emphasizes

¹ A corporation duly organized and existing under the laws of Japan with principal office address at 1 Toyota-cho, Toyota-shi, Aichi-ken, Japan.
² With address at 138 2nd Street between 8th and 9th Avenue, Caloocan City, Metro Manila, Philippines.
³ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

various decisions rendered in favour of the Opposer recognizing the well-known character of Opposer's mark LEXUS.

According to the Opposer, the instant opposition in the registration of the mark ALEXUS in the name of Respondent-Applicant violated Section 123.1 (d), (e), (f) and (g); and, Section 165.2 (a) and (b) of the Intellectual Property Code of the Philippines because said mark is identical and confusingly similar to the Opposer's trade name and trademark LEXUS and its family of marks, which are registered in various countries. The registration of the mark LEXUS AND DEVICE in the name of Respondent-Applicant will likely mislead the public that Respondent's business is affiliated with or is under the sponsorship of the Opposer.

The Opposer's evidence consists of the following:

1. Duly executed, notarized and legalized Special Power of Attorney;
2. Verification and Certification Against Forum Shopping;
3. Details of LEXUS marks in the Philippine Trademark Database;
4. Certificate of Registration for the mark LEXUS in Australia, Japan and South Africa;
5. Printout of 168 certificates of registration for the mark LEXUS issued by various jurisdictions;
6. List of certificates of registration for the mark LEXUS;
7. Original authenticated certificates of registration for the mark LEXUS;
8. Table of LEXUS vehicles sales per annum from 1980 to 2011;
9. Copies of invoices from the years 1989 to 2010 representing sales of LEXUS vehicles;
10. Compact discs containing invoices for the year 2009;
11. List of LEXUS dealers with contact information and other details;
12. Independent study by J.D. Power and Associates relating to sales satisfaction service and dependability;
13. Table of worldwide accolades awarded to LEXUS vehicles;
14. Worldwide brand rankings detailing the Top 100 Global Brands;
15. Box Office Mojo's website and pages on the use of LEXUS in "Minority Report";
16. Table showing international magazines of LEXUS vehicles advertisements including copies of advertisements, brochures;
17. List of motor shows of LEXUS vehicles exhibits with copy in compact disc;
18. Website pages detailing sponsorships by LEXUS and LEXUS worldwide link;
19. Customer survey on the recognition of the LEXUS brand;
20. Compact disc of video advertisements, photographs of events and advertising campaigns of various LEXUS vehicles;
21. List of favorable judgments in opposition/cancellation proceedings of LEXUS marks; and,
22. Copies of judgments and declaration of LEXUS as well-known mark.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 21 January 2014. Respondent-Applicant however, did not file an answer within the maximum period allowed by the rules. Thus, in Order No. 2015-447 dated 16 March 2015, Respondent-Applicant is declared in default. This case is deemed submitted for decision.

Should the Respondent-Applicant be allowed to register the trademark ALEXUS?

It is emphasized that 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 out into the market a superior 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

Records show that at the time Respondent-Applicant filed its application for the trademark "ALEXUS" on 26 April 2013, herein Opposer already has existing local and international⁵ trademark registrations for its LEXUS brands. In the Philippines, the Opposer holds registrations for the LEXUS marks which are all dated prior to the application date of the subject mark, and are still currently active in status.⁶ In the Philippines, a certificate of registration constitutes a 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.⁷

The competing marks are reproduced below for comparison and scrutiny:

LEXUS  LEXUS



Opposer's Trademarks

Respondent-Applicant's Trademark

It appears that Respondent-Applicant's mark contains the LEXUS word mark of the Opposer, with the addition of initial letter "A" to form the word mark ALEXUS. It is evident that the letter "A" in ALEXUS has a different font design from LEXUS, which emphasizes the distinctive commercial character of the word LEXUS. The word LEXUS is therefore the dominant element of the entire mark. It is not only different in font design, it is also enclosed in a rectangular outlined box.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).
⁵ Exhibits "D", "E", "F", "G" (and sub-markings) of Opposer.
⁶ Annex "U" of Exhibit "C" of Opposer.
⁷ Sec. 138, IP Code.

just

to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.⁸ Colourable imitation does not mean such similitude as amount to identify, nor does it require that all details be literally copied. Colourable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark with that of the other mark or trade name in their over-all presentation or in their essential substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.⁹

Further, the competing marks cover similar and/or related goods, particularly referring to machine, machine tools, and machine spare parts. Indeed, these goods are found in the same channels of business and trade and/or cater its products to the same segment of consumers. Also, considering the similarity or relatedness of goods carried by the contending marks, the consumers will have the impression that these products originate from a single source or origin or they are associated with one another. It is apparent that the Opposer has established its LEXUS mark, brand and trade name in the car and related industry, and to the general public and consumers, whether or not car enthusiasts. Thus, the likelihood of confusion therefore, would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:¹⁰

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily 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. Hence, though the goods of the parties 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.

Thus, Sec. 123.1 (d) of the IP Code provides:

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;

⁸ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 200, 356 SCRA 207, 217.

⁹ Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, 08 January 1987.

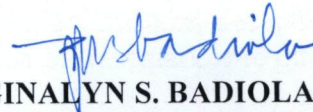
¹⁰ Id.

Corollarily, the public interest requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of 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.¹¹

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-500924 is hereby **SUSTAINED**. Let the file wrapper 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. **13 JUN 2017**



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

¹¹ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.