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NOTICE OF DECISION

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INTELLECTUAL PROPERTY ATTORNEYS

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GREETINGS:

Please be informed that Decision No. 2017 - 438 dated December 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, January 03, 2018.

MARILYN F. RETUTAL IPRS IV

Bureau of Legal Affairs



KOLIN ELECTRONICS CO., INC.	1	IPC No.(4-2015-00075
Opposer,	í	
	}	Opposition to:
- versus -	}	App. Ser. No. 4-2015-008596
	3	Date Filed: 10 July 2014
TAIWAN KOLIN CO., LTD.,	}	Trademark: "KOLIN"
Respondent-Applicant.	}	V -
XX		Decision No. 2017 - 438

DECISION

KOLIN ELECTRONICS CO. INC.,¹ ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2014-008596. The application filed by TAIWAN KOLIN CO., LTD.,² ("Respondent-Applicant"), covers the mark "KOLIN" for use on "water dispenser" under Class 21 of the International Classification of Goods.³

In opposing the application for registration of the subject mark, Opposer argues, that:

"I.

This Honorable Office and the Court of Appeals have already determined with finality that Opposer is the true owner of the mark "KOLIN". Opposer's ownership over the mark "KOLIN" was upheld in several related proceedings where the Opposer and Respondent-Applicant (or the latter's subsidiaries) are involved.

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The registration of the mark "KOLIN" in the name of Respondent-Applicant will violate the property right of Opposer as the owner of the trade name "KOLIN".

III

The registration of the mark "KOLIN" in the name of Respondent-Applicant will violate Opposer's right as owner of the registered mark "KOLIN".

IV.

The continued use by Respondent-Applicant of the mark "KOLIN" has already been causing confusion among the public."

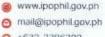
Opposer's evidence consists of the following:

- Secretary's Certificate;
- Affidavit of Julie Tan Co;

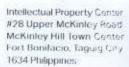
A domestic corporation with principal business at No 2788 Anacleto Street, Sta. Cruz, Manila.

A foreign corporation organized and existing under the laws of Taiwan with business address at 10/F 86 Chungching S. Road Sec. I Taipei, Taiwan.
The 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.





6 +632-2386300 6 +632-5539480



- Certificate of Registration No. 4-1993-087497 for the mark "KOLIN" under the name of Opposer for class 9.
- Certificate of Registration No. 4-2007-005421 for the mark "KOLIN" under the name of Opposer for class 35;
- 5. Copy of Application for the mark "www.kolin.com.ph";
- 6. Copy of Application for the mark "www.kolin.ph";
- 7. Certified copy of the Deed of Assignment of Assets dated November 20, 1995;
- 8. Certified copy of Decision dated 27 December 2002 in IPC Case No. 14-1998-00050;
- Certified copy of Decision of the Office of the Director General dated November 6, 2003 in Appeal Case No. 14-03-24;
- Certified copy of Decision of the Court of Appeals in CA-G.R. SP No. 80641 dated 31 July 2006;
- 11. Certified copy of Entry of Judgment in G.R. No. 179007;
- Certified copy of Decision dated 16 August 2007 in Inter Partes Case No. 14-2006-00096;
- Certified copy of Decision of the Court of Appeals in CA-G.R. SP No. 122565 dated
 April 2013;
- 14. Certified copy of Decision dated 29 June 2007 in Inter Partes Case No. 14-2006-00064;
- 15. Certified copy of Decision of the Office of the Director General dated 12 September 2013 in Appeal Case No. 14-08-37;
- Certified copy of Decision of the Office of the Director General dated 12 September 2013 in Appeal Case No. 14-07-20;
- 17. Certified copy of Decision dated 09 September 2009 in Inter Partes Case No. 14-2007-00167;
- Certified copy of Decision of the Office of the Director General dated 12 September 2013 in Appeal Case No. 14-09-64;
- 19. Compilation of printouts of email requests;
- 20. True copy of the newspaper publication of the disclaimer of Opposer in the 29 November 2004 issue of Philippine Daily Inquirer;
- 21. Copy of the faxed Arrival Notice;
- 22. Printouts of Ms. Julie Tan Co's email exchanges with PLDT;
- 23. Details of TM Application No. 4-2014-008596 for the mark KOLIN on class 21 under Respondent- Applicant's name; and
- 24. Certification from the Bureau of Trademarks that the mark KOLIN under Registration No. 4-2002-011004 in the name of Respondent-Applicant was removed from Register for non-filing of DAU.

On 17 April 2015, this Bureau issued a Notice to Answer and personally serve to Respondent-Applicant's representative on 22 April 2015. On 19 June 2015, Respondent-Applicant filed the Answer, alleging the following Special and Affirmative Defenses:

"13. Section 168.1 of the Intellectual Property Code provides:

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"14. In the Philippines, Taiwan Kolin is the only manufacturer and distributor of KOLIN-branded water dispenser. xxx It is engaged in the business of manufacturing, processing, assembling, distributing and selling various electrical appliances, equipment and apparatus.

"15. Taiwan Kolin is the originator of the mark "KOLIN" which it started using since it started business way back in the year 1963. "KOLIN" means Forest of Songs. xxx

"16. Taiwan Kolin's home appliance goods are widely advertised, distributed and sold not only in Taiwan but also in several countries. The name and symbol "KOLIN" is duly registered to Taiwan Kolin in the intellectual property office of Taiwan, R.O.C.. Taiwan Kolin also holds registration for the name and symbol "KOLIN" in the countries of People's Republic of China, Vietnam and Malaysia.xxx

"17.Being the entity responsible for introducing and making available to the Philippine market the KOLIN-branded water dispenser, Taiwan Kolin is entitled to the protection of its goodwill which under the above-quoted provision of the IP Code is deemed a property right. Hence, Taiwan Kolin's proprietary right over the mark "KOLIN" for water dispensers should be upheld by granting the instant application of Taiwan Kolin for the registration of its mark "KOLIN" in Class 21 of the NICE Classification.

"18.It should be noted that Taiwan Kolin's ownership and legal right for the mark "KOLIN" in Class 21 has already been acknowledged by the Intellectual Property Office (IPO) when the IPO issued in favor of Taiwan Kolin the Certificate of Registration No. 4-2002-011004 for the mark "KOLIN" in Class 21 of the NICE Classification, which registration dates back on October 7, 2007. xxx Only, the said registration was removed by the IPO from the Register by reason of Taiwan Kolin's failure to file the requisite 5th Declaration of Actual Use as shown by the Status of Taiwan Kolin's Certificate of Registration No. 4-2002-011004 xxx.

"19. The removal of Taiwan Kolin's Certificate of Registration from the Register, however, does not take away from Taiwan Kolin the rights it acquired over the mark "KOLIN" in Class 21, it being the prior and lone registrant of the mark in the Philippines for Class 21.

"20. A perusal of the Verified Opposition will readily reveal that KECI does not deal and has never dealt with water dispensers. Neither does KECI deal with any of the other goods falling under Class 21 of the NICE Classification. KECI's goods fall under Class 9 and specifically covers "automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC" which are classified as POWER SUPPLY GOODS as specified in KECI's Certificate of Registration No. 4-1993-087497 in Class 9. KECI has no pending and has never applied for trademark registration in Class 21. Therefore, there is no legal impediment under the IP Code for the registration of the mark "KOLIN in favor of Taiwan Kolin in Class 21.

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- "21.The registration of the mark "KOLIN" in favor of Taiwan Kolin in Class 21 will not violate KECI's rights relative to its trademark registration in Class 9.
- "22. Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code), in Sections 138 and 147.1 thereof, provides, to wit:

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23. The regulations implementing R.A. 8293 would re-state the above provisions, under Rule 806 thereof, as follows:

24. Rule 807 of the Regulations implementing R.A. 8293 further provides that the certificate of registration lists the specified goods in respect of which registration has been granted, and the corresponding class or classes to which it pertains, to wit:

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- 25. Applying the above-quoted provisions, the trademark right acquired by KECI from its trademark registration is a LIMITED RIGHT as it extends specifically to the goods or services specified in its trademark certificate and those related thereto. KECI's Certificate of Registration No. 4-1993-087497 indicated CLASS "9" for its applied mark "KOLIN," and specifies the following goods: "Automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC." Accordingly, the right secured by KECI emanating from its trademark registration extends to the Class 9 goods specified in its Certificate of Registration No. 4-1993-087497 namely "Automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC" as stated in its trademark registration.
- "26. Clearly, KECI's right does not extend to Class 21 goods covered by Taiwan Kolin's Trademark Application Serial No. 04-2014-008596 under Class 21, subject of the instant case. Therefore, there can be no trademark right of KECI that stands to be violated by the favorable registration of Taiwan Kolin's "KOLIN" in Class 21.
- "27. It should be emphasized at this point that the fact that KECI's right emanating from its trademark registration in Class 9 has been decreed to be a LIMITED RIGHT in a recent Decision promulgated by the Supreme Court on March 25, 2015 in G.R. No. 209843 entitled Taiwan Kolin Co., Ltd. vs. Kolin Electronics Co., Inc.. The case involves Taiwan Kolin's Trademark Application Serial No. 4-1996-106310 in Class 9 covering Taiwan Kolin's "television sets and DVD players." xxx KECI sought the reversal of the Decision by filing a Motion for Reconsideration. As it stands, however, as decreed by the Supreme Court, Taiwan Kolin is entitled to the registration of the mark "KOLIN" for the goods "television sets and DVD players" falling under Class 9 of the NICE Classification.
- "28. In the afore-mentioned case, herein opposer KECI filed an opposition to Taiwan Kolin's trademark application in Class 9 claiming that it is the registered owner of the mark "KOLIN" and has exclusive right thereto. It should be noted that the instant opposition is hinged on the same line of reasoning.
- "29. In ruling that KECI's trademark registration does not preclude Taiwan Kolin from using and causing to be registered the mark "KOLIN," the Supreme Court held, to wit:

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It is clear from the above-quoted ruling of the Supreme Court that the mere fact that KECI has adopted the mark "KOLIN" for its POWER SUPPLY goods under Class 9 would not prevent the registration in favor of Taiwan Kolin of the mark "KOLIN" for goods that are not related to KECI's Power Supply goods. In other words, KECI's right for the mark "KOLIN" is a LIMITED RIGHT as it extends only to goods and those that are related thereto as specified in Certificate of Registration No. 14-1993-087497, that is: "Automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC."

- "30. Applying the doctrine held by the Supreme Court in the above-mentioned case, KECI's trademark registration does not preclude the registration of Taiwan Kolin's mark "KOLIN" under Class 21 for water dispenser which is not related to KECI's goods.
- "31. KECI seeks to undermine the implication of the fact that KECI's certificate of registration for its Power Supply goods does not cover Taiwan Kolin's water dispenser by instigating the idea that its Power Supply goods are related to Taiwan Kolin's water dispenser. KECI's effort to pass its goods to be related to Taiwan Kolin's water dispenser should not be countenanced.
- "32. It should be noted that a similar attempt by KECI to claim that its Power Supply goods falling under Class 9 are related to Taiwan Kolin's "television sets and DVD players" which also fall under Class 9 has been rejected by the Supreme Court in the above-mentioned Decision. In overthrowing the reasoning of both KECI and the Court of Appeals which upheld KECI's claim of relatedness of the goods, the Supreme Court ruled, to wit:

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"33.In the light of the above findings of the Supreme Court expressly declaring that NOT ALL ELECTRONIC PRODUCTS ARE RELATED, it is difficult to conceive or imagine the relatedness between Taiwan Kolin's water dispenser with that of KECI's Power Supply that KECI being peddled by KECI.

"34. It bears mentioning that even the Director General of the IPO in Inter Partes Case No. 14-2006-00096 involving the above-mentioned Trademark Application Serial No. 4-1996-106310 of Taiwan Kolin in Class 9 covering its "television sets and DVD players," found that KECI's Power Supply goods are NOT RELATED to the goods of Taiwan Kolin. Rejecting KECI's idea that its goods and those of Taiwan Kolin are related, the Director General found, as follows:

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"35. Noteworthy is the finding made by the Director General in the above-quoted Decision that no confusion or mistake will be caused on the part of the public if the mark "KOLIN" is registered in favor of Taiwan Kolin due to the fact that the goods of the parties are not closely related.

"36. Not only is confusion or mistake impossible because of the dissimilar nature of the respective goods of the parties as held by the Director General, the public will not be confused as to the origin of Taiwan Kolin's water dispenser because it is relatively costly or expensive. Taiwan Kolin's water dispenser is not an ordinary product like the ones being sold and distributed in sari-sari stores or supermarkets where confusion as to source or origin is likely to occur. This is in accord with the ruling of the Supreme Court in the above-mentioned Decision in G.R. No. 209843. The visual and aural differences of KECI's mark from that of Taiwan Kolin's mark coupled with the fact that the goods of the parties are considered luxury items impelled the Supreme to decree that the registration of Taiwan Kolin's mark "KOLIN" will not result in confusion or deception on the part of the public. The Supreme Court held, thus:

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Respondent-Applicant's evidence consist of the following:

- Taiwan Kolin's Corporate Changed Register Card of Respondent-Applicant;
- 2. Affidavit of Mr. Chi-Lei Liu;

- Certificate of Trademark Registration No. 342652 for the mark KOLIN issued by National Bureau of Standards - Ministry of Economic Affairs of Taiwan on 01 December 1986
- 4. Certificate of Trademark Registration in the Republic of China No. 01011246 for the mark KOLIN issued on 16 September 2002 by the Intellectual Property Office - Ministry of Economic Affairs of Taiwan;
- 5. Trademark Registration Certificate No. 561082 for the mark KOLIN issued in China on 10 August 2001;
- Trademark Registration Certificate No. 614786 for the mark KOLIN issued in China on 20 October 2002;
- 7. Certificate of Registration of Trademark No. 96003245 for the mark KOLIN for Class 9 issued in Malaysia;
- 8. Certificate of Trademark Registration No. 22686 issued in Vietnam;
- 9. Certificate of Registration No. 4-2002-11004 dated October 7, 2007 issued by Intellectual Property Office in Class 21 for Water Dispensers;
- 10. Decision of the Supreme Court in G.R. No. 209843 dated March 25, 2015;
- 11. Decision in Appeal No. 14-09-27/Inter Partes Case No. 14-2006-00096, Office of the Director General, Intellectual Property Office, dated November 23, 2011; and
- 12. Resolution of the Supreme Court in G.R. No. 209843 dated July 29, 2015.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 24 June 2015. 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 16 December 2015, Opposer filed its Position Paper while Respondent-Applicant did so on 04 January 2016.

Should Respondent-Applicant's mark KOLIN be allowed registration?

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 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.⁴

In this regard, Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code), as amended, provides:

Section 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;

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⁴ Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 Nov. 1999.

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, said mark cannot be registered.

The records will show that Opposer is the holder of two registrations for the mark KOLIN under Registration No. 4-1993-87497 issued on 23 November 2003 and Registration No. 4-2007-005421 issued on 22 December 2008. As such, the certificate of registration in its name is a *prima facie* evidence of the validity of its registration, its ownership of the mark and its exclusive right to use it in connection with the goods and/or services and those that are related thereto, pursuant to Section 138 of the IP Code. Thus, the Opposer has the right to oppose the application for registration of a mark which is identical or similar to its marks, as in this case.

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

Opposer's Mark

Respondent-Applicant's Mark

There is no doubt that the Respondent-Applicant's mark is similar to the Opposer's mark because they both use the word "KOLIN". Although they are presented differently, that is, Opposer's mark is italicized and uses a different font compared to that of Respondent-Applicant's mark, such difference is very trivial compared to the glaring similarity between the marks.

However, the similarity in the appearance of the applied mark to another mark does not automatically bar its registration. A similar mark may be registered when the goods, upon which the applied mark will be used, is different or non-competing to the goods of another such that it cannot be said that the goods of the latter is manufactured or sourced from the former or that there is a connection between them.

In Philippine Refining Co., Inc. vs. Ng Sam and The Director of Patents⁵, the Court ruled:

A rudimentary precept in trademark protection is that "the right to a trademark is a limited one, in the sense that others may use the same mark on unrelated goods." Thus, as pronounced by the United States Supreme Court in the case of American Foundries vs. Robertson, "the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description."

Such restricted right over a trademark is likewise reflected in our Trademark Law. Under Section 4(d) of the law, registration of a trademark which so resembles another already

⁵ G.R. No. L-26676, July 30, 1982

registered or in use should be denied, where to allow such registration could likely result in confusion, mistake or deception to the consumers. Conversely, where no confusion is likely to arise, as in this case, registration of a similar or even identical mark may be allowed.

In this case, Respondent-Applicant's mark is used on "water dispenser" under Class 21. On the other hand, Opposer's mark is used on goods such as "automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC" under Class 9 and "for the business of manufacturing, importing, assembling or selling electronic equipment or apparatus" under Class 35. As such, the goods are non-competing and unrelated. Accordingly, since no confusion will likely arise, Respondent-Applicant's mark can be registered.

Incidentally also, in *Taiwan Kolin Corporation Ltd. v. Kolin Electronics Co., Inc.*⁶, which involves the herein parties as well, the Supreme Court held:

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:

- 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

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⁶ G.R. No. 209843, 25 March 2015

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 subcategorized into five (5) classifications, namely: (1) apparatus and instruments for scientific or research purposes, (2) 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.

The Court clearly ruled that even if the applicant's mark is identical or similar to a registered mark and is used on goods under the same classification, it can still be registered if the goods belong to different sub-classification because they are considered as different goods or unrelated goods. In this case, the goods of the Opposer is different from that of the Respondent-Applicant's goods and even belong to a different class. As such, the opposition to the subject trademark application cannot stand.

Accordingly, since Respondent-Applicant has shown that it has complied with the provisions of Section 123.1 (d) of the IP Code, it is entitled to the registration of its mark.

WHEREFORE, premises considered, the instant opposition is hereby *DISMISSED*. Let the filewrapper of Trademark Application Serial No. 4-2015-008596, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 DEC 2017

Adjudication Officer Bureau of Legal Affairs