



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

TRECK BICYCLE CORPORATION,
Opposer,

-versus-

ZHAOQING JUNHONG INDUSTRIAL CO., LTD.,
Respondent-Applicant.

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IPC No. 14-2013-00327
Opposition to:
Appln. Ser. No. 4-2012-13438
Date Filed: 06 November 2012

TM: MAXTREK

X-----X

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 388 dated 29 November 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPPL 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, 11 December 2017.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

TREK BICYCLE CORPORATION,
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- versus -

**ZHAOQING JUNHONG
INDUSTRIAL CO., LTD.,**
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IPC No. 14-2013-00327
Opposition to:

Appln. No. 4-2012-13438
Date Filed: 6 November 2012
Trademark: "MAXTREK"

Decision No. 2017 - 388

DECISION

TREK BICYCLE CORPORATION ("Opposer")¹, filed a verified opposition to Trademark Application Serial No. 4-2012-13438. The application, filed by ZHAOQING JUNHONG INDUSTRIAL CO., LTD. ("Respondent-Applicant")², covers the mark "MAXTREK" for use on goods under Class 07³ namely: *automobile tires (tyres); treads for retreading tires (tyres); adhesive rubber patches for repairing inner tires; repair outfits for inner tubes; casings for pneumatic tires (tyres); pneumatic tires (tyres).*

The Opposer alleges that it is one of the biggest bicycle and cycling product manufacturers in the world. It was founded in 1976, and since then, has been continuously producing, marketing and selling bicycles, bicycle parts such as tires and wheels, and cycling apparels and accessories bearing the "TREK" marks in the U.S.A. and all over the world. Opposer's products are marketed through 1,700 dealers across North America, subsidiaries in Europe and Asia, as well as distributors in over 60 countries worldwide. The trademark "TREK" has registrations in several foreign jurisdictions. In the U.S.A., the trademark "TREK" has registrations under Classes 9, 12, 18, 25 and 28. In the Philippines, the Opposer is the owner of the mark "TREK" under Registration No. 058314 dated 02 June 1994 for Class 12; and Registration No. 4-2008-003592 dated 15 October 2009 for Class 25. In addition, Opposer is the registered owner of the marks "BONTRAGER" under Registration No. 4-2008-003591; and "B DOT LOGO" under Registration No. 4-2010-007607, used in conjunction with the "TREK" mark, and incorporated in Opposer's "TREK" products.

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- ¹ A corporation duly organized and existing under the laws of Wisconsin, United States of America, with office address at 801 West Madison Street, Waterloo, Wisconsin, U.S.A..
- ² A corporation with address at Riversite Industrial Estate, Hi-Tech District, Zhaoqing City, China.
- 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.

Opposer further alleges that as early as 1991 in the Philippines, its bicycle products, cycling apparels and accessories with the "TREK" mark were formally launched, consistently promoted and sold in the market. According to its authorized distributor in the Philippines, 3T Techno Turbo Trading, Opposer is well known in the biking community for its quality products.

As stated, Respondent-Applicant violated Opposer's exclusive right to the "TREK" mark pursuant to Section 123 of R.A. No. 8293 because it is confusingly similar with and infringes on Opposer's "TREK" trademark. The dominant and distinguishing feature of Respondent-Applicant's mark is the name "MAXTREK", which contains Opposer's registered word mark "TREK". The presence of a likelihood of confusion is compounded by the fact that the competing trademarks cover the same Class 12 goods. Furthermore, Respondent-Applicant's products are within the reasonable expansion of Opposer's business. Thus, trademarks which are to be used for similar goods, and which forestall the potential market expansion of the business of the owner of a registered trademark, cannot be registered.

Finally, Opposer claims successful opposition to other trademark applications owned by Respondent-Applicant and related entities for the "MAXTREK" mark in Canada, Colombia, Taiwan and the United States of America.

The Opposer submitted the following evidence:

1. Official Receipt No. 0457830 and 0462155
2. Downloaded internet pages form Opposer's official website, www.trekbikes.com showing TREK products;
3. Certified true copy (Ctc) of Registration No. 058314;
4. Ctcs of Registration Nos. 4-2008-003592, 4-2008-00351, and 4-2010-007607;
5. Authenticated copies of US Registration Nos. 1,168,276, 2,060,274, 2,745,442, 3,053,077, and 3,900,734;
6. Ctcs of Declarations of Actual Use for the Registration Nos. 058314 and 4-2008-003592;
7. Affidavit of Mr. Eric Roque;
8. Downloaded internet pages showing picture of Opposer's bicycle tires products bearing the "BONTRAGER" mark; and,
9. Copy of Order issued by the Trademark Trial and Appeal Board of the United States Patent and Trademark Office.

On 07 January 2014, Respondent-Applicant filed its Verified Answer. By way of Special and Affirmative Defenses, it alleges that the Verified Opposition is baseless, unwarranted and states no cause of action. First, Respondent-Applicant's "MAXTREK" mark has no likelihood of confusing similarity with that of Opposer's "TREK" mark. The trademark "MAXTREK" is always accompanied with its own peculiar distinctive attendant device in the form of four (4) overlapping inverted letter "V" and can also be described by four vertical pyramid-like closed angles pointing upward and overlapping one another resulting to the formation of a heavy styled version of a letter "M" or mountain-like form which stands for "MAXTREK". It is a product of a creative imagination not found in any dictionary and without any specific meaning which is distinctive in itself and of its own. On the other hand, Opposer's word "TREK" means "to travel

or migrate, especially slowly or difficulty". It presupposes a long arduous journey. According to Respondent-Applicant, the combination of the word "MAXTREK" and its device was conceived and adopted to represent pursuit of excellence in the industry. It symbolizes the product's capability of serving and satisfying its customers until the final destination of their journey. Thus, Respondent-Applicant hopes and intent to create a durable, reliable and solid image of its tires products.

Respondent-Applicant refutes Opposer's allegation that it will forestall the expansion of Opposer's business. While both marks are applied and registered in Class 12, the focus and concentration of goods pertains to different aspect. Respondent-Applicant further pointed that Opposer's trademarks "BONTRAGER" and "B DOT LOGO" cannot be a valid opposition to the subject trademark since there is no iota of likelihood of association or connection brought about by the trademark "MAXTREK". In fact, said marks are entirely different. Respondent-Applicant also denied any successful opposition against Respondent-Applicant's trademark in China, Colombia, Taiwan and USA as it is not supported by any evidence. The Order presented does not specify the details of the case relevant on the matter and a mere default judgment which was not based on the merits of the case. In fact, Respondent's mark "MAXTREK" with device and other marks co-exist with the Opposer's mark "TREK", logo and other marks in Respondent's home country, China under Class 12.

Finally, the mark "MAXTREK" is distinctive to Respondent-Applicant as the legitimate owner of said mark, and user in good faith since 2008. It was established on 17 April 2006 in China and has since been engaged in the research and development and manufacture of tires for vehicles. Respondent's mark was devised by the management not later than 2008 for tire products combining the word "MAXTREK" and device. It has at least five (5) registrations for "MAXTREK" in Class 12 dated as early as 2010 in China. It has also pending applications for registration in other jurisdictions worldwide. In 2010, Respondent-Applicant undertook advertisement and promotional activities and actual sales of goods in the Philippines.

The Respondent-Applicant submitted the following evidence:

1. Printouts of trademark registration retrieved from online database of Chinese Trademark Office for Opposer's and Respondent-Applicant's marks;
2. Photocopy of Decision No. 418837 pertaining to the opposition filed by Opposer;
3. Photocopy of Business License of Respondent-Applicant showing its tire products;
4. Photocopies of certificates of Respondent-Applicant's trademark registrations in China;
5. Photocopy of Registration No. T0802660G for trademark "MAXTREK PTE LTD";
6. Photocopy of application for International Registration No. 986842;
7. Registration for the mark "MAXTREK PTE LTD" in various countries;
8. Photocopy of Application No. 302380536, retrieved from the online database of the Hong Kong Trade Marks Registry;
9. Registrations of "MAXTREK" in at least 28 other jurisdictions worldwide;

10. Summary of the applications/registration of Respondent-Applicant's "MAXTREK"; and,
11. Random copies of Respondent-Applicant's clients pro forma invoices, commercial invoices, packing lists and bills of lading from 30 July 2010 to April 2011;

On 03 March 2014, Opposer filed a Motion to Declare Respondent-Applicant in Default on the ground that the Verified Answer contains Verification/Certification executed by Atty. Antonio C. Gorospe, as counsel of Laguna Lake Trade Marks (LLTM), where the Special Power of Attorney in favor of Atty. Gorospe bears no proof of authority from Respondent-Applicant to represent and defend the latter in this instant case. On the other hand, Respondent-Applicant's Comment/Opposition⁴ counteract by maintaining Atty. Gorospe's authority to sign the on behalf of Respondent-Applicant; and that non-compliance to existing rules should be excused based on substantial justice.

An examination of the records show that there is no document to prove that Respondent-Applicant ZHAOQUING JUNHONG INDUSTRIAL CO. LTD., authorized LLTM or Atty. Gorospe to file the Verified Answer. The Special Power of Attorney appears to be executed by LLTM in favor of Atty. Gorospe. However, it does not show that LLTM was in fact, duly certified by the Respondent-Applicant, through its directors or authorized officials. Thus, the Verification, Certification of Non-Forum Shopping and the SPA executed for Respondent-Applicant's counsel are invalid and has no legal effect.

It is well settled that it is obligatory for the one signing the verification and certification against forum shopping on behalf of the principal party or the other petitioners that he/she has the authority to do the same.⁵ If the real party-in-interest is a corporate body, an officer of the corporation can sign the certification against forum shopping so long as he has been duly authorized by a resolution of its board of directors.⁶ If the certification against forum shopping signed by a person on behalf of a corporation, is unaccompanied by proof that said signatory is authorized to file a petition on behalf of the corporation, the same shall be sufficient ground to dismiss the case.⁷

Therefore, Respondent-Applicant is deemed to have failed to submit an answer on the ground of defective verification and/or the verification lacks proof of authority of the signatory therein if signed by a representative or counsel.⁸ Consequently, this case is now submitted for decision.

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

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

⁴ 20 March 2014.

⁵ Fuentabella vs. Rolling Hills Memorial Park, G.R. No. 150865, 30 June 2006.

⁶ Supra.

⁷ Mediserv, Inc. vs. Court of Appeals, et al., G.R. No. 161368, 05 April 2010.

⁸ Sec. 10(a), Rules and Regulations on Inter Partes Proceedings, Office Order No. 99, series of 2011.

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.⁹

The Opposer anchors its opposition on Sec. 123.1 (d) R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services or closely related goods and services, or if it is nearly resembles a mark as to be likely to deceive or cause confusion.

In this regard, the records show that at the time the Respondent-Applicant filed its trademark application on 06 November 2012, the Opposer has existing trademark registration for the mark "TREK" under Registration No. 058314 dated 02 June 1994 for Class 12¹⁰; and Registration No. 4-2008-003592 dated 15 October 2009 for Class 25¹¹. It is also registered in several foreign jurisdictions¹². Under the law, 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.¹³

The competing marks are reproduced below for comparison and scrutiny:

TREK

Opposer's Trademark

 **MAXTREK**

Respondent-Applicant's Trademark

It appears that the competing marks have striking similarities. The word marks both contain the word "TREK", such that they produce comparable ending sound in dominant character when spoken. Obviously, the appearance of Respondent-Applicant's trademark is sufficient to recall or recapture that of Opposer's, and that most likely, to cause confusion or association to the public. The competing marks, despite the minuscule difference in the word mark and the logo combined with it, show likeness in appearance and impression. Thus, it can be observed that Respondent-Applicant's subject mark is a way of hiding the intent to copy Opposer's trademark.

Moreover, the identity of the goods involved are related. Both are likely to be conveyed and move in the same channels of trade. The goods of the Opposer and the Respondent-Applicant are of a character which purchasers would be likely to attribute to a common origin. The allowance of Respondent-Applicant's application in this instance, will likely cause confusion to the consuming public, taking into consideration the wide market where Opposer's

⁹ 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).

¹⁰ Exhibit "B" of Opposer.

¹¹ Exhibit "C" of Opposer.

¹² Exhibits "F", "F-1" to "F-4" of Opposer.

¹³ Sec. 138, IP Code.

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products are being sold. Also, considering the similarity or relatedness of goods carried by the contending marks, the consumers will have the commercial impression that these products originate from a single source or origin, associated with one another, or a variation of the Opposer's mark. 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:¹⁴

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.

In this instant case, the Opposer's prior use and registration of its trademark "TREK" demonstrate ownership thereof. The Opposer and its trademark has verily proved evidence of its continuous presence in the market¹⁵. Thus, 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.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-13438 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. 29 NOV 2017


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

¹⁴ Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, 30 April 1969.

¹⁵ Exhibits "A", "G", "G-1" and "H" of Opposer.