

TIEN HUNG AGRO-INDUSTRIAL CORP.,
Petitioner

IPC No. 14-2010-00093
Cancellation of:

-versus-

Reg. No: 4-2006-008112
Date Issued: 16 May 2008

DJOHAR TOBING,
Respondent-Registrant.

TM: "TUNG HO, TH & DEVICE"
Decision No. 2011-78

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DECISION

TIENG HUNG AGRO-INDUSTRIAL CORP. ("Petitioner") filed on 11 May 2010 a petition for the cancellation of Trademark Registration No. 4-2006-008112. The trademark registration, issued on 16 May 2008 to DJOHAR TOBING, ("Respondent-Registrant"), covers the mark "TUNG HO, TH & DEVICE" for use on "sprayers".

The Petitioner alleges, among other things, that it is the true and rightful owner of the aforementioned trademark having adopted and continued to use it since 1977 up to the present in its manufacturing business. According to the Petitioner, the Respondent-Registrant is not entitled to the registration of the mark being a junior user thereof and has fraudulently obtained Reg. No. 4-2006-008112 in contravention to the provisions of the Intellectual Property Code of the Philippines ("IP Code"). The Petitioner also claim that the issuance and existence of the registration has damaged its interest, and thus, asserts that the cancellation thereof is justified under Sec. 151.1 (b) of the IP Code.

The Petitioner's evidence consists of the following:

- 1.Exh. "A": Certified true copy of Petitioner's Cert. of Registration issued by the Securities and Exchange Commission;
- 2.Exh. "B" to "B-27": Business and mayors permits and licenses issued by Quezon City to the Petitioners;
- 3.Exh. "C": True copy of the Petitioner's brochure;
- 4.Exh. "D": Copy of Phil. Patent No. 2879 issued on 08 Feb. 1978 for Hang-on-shoulder semi-automatic sprayer, knapsack type;
- 5.Exh. "E": Copy of the Phil. Patent No. 2882 for Hang-on-shoulder semi-automatic sprayer, knapsack type issued on 09 Feb. 1978;
- 6.Exh. "F": Copy of Trademark application for TUNG HO filed on 06 Sept. 1977 by the Petitioner;
- 7.Exh. "G": Copy of petition for priority examination filed on 04 Oct. 1977 by the Petitioner;
- 8.Exh. "H": Copy of the order issued by the Phil. Patent Office on 06 Feb. 1978 granting the examination of the Petitioner's trademark application;
- 9.Exh. "I": Copy of the application for TUNG HO in the supplemental register filed on 14 Mar. 1978 by the Petitioner;
10. Exh. "J" to "J-2": Copy of the application No. 45837 filed on 21 Oct. 1983 by the Petitioner for TH and LOGO DESIGN.

11. Exh. "K" to "K-1", "K-2", "K-3": Copy of Cert. of Reg. No. 45837 for THAND LOGO DESIGN issued on 26 Jul. 1989;
12. Exh. "L" to "L-5": Copy of Cert. of Reg. No.45837 for TH AND LOGO DESIGN issued on 26 Jul. 1989;
13. Exh. "M" to "M-2": Copy of application filed on 15 Mar 2010 for TH AND LOGO DESIGN in the name of the Petitioner;
14. Exh. "M-3": Copy of "Secretary's Certificate", dated 18 Mar. 2010;
15. Exh. "N" to "N-3": Copy of Declaration of Actual Use ("DAU") filed on 26 Mar. 2010 for TH AND LOGO DESIGN and official receipt/sales invoice No. 15454 issued on 17 Jan. 2010.
16. Exh. "O" to "O-2": Copy of Application for TUNG HO AND DEVICE filed on 27 Apr. 2010 by the Petitioner;
17. Exh. "O-3": Secretary's Certificate issued by Kenney Jo Tee on 27 Apr. 2010;
18. Exh. "P" to "P-3": Copy of DAU filed on 30 Apr. 2010 for TUNG HO AND DEVICE; and actual label and sales Invoice No. 15532;
19. Exh. "Q": Copy of document certifying that Application No. 4-2002-005531 filed on 05 Jul. 2002 by the Respondent-Registrant for TUNG HO was refused registration as of 28 Jun. 2006 for the non-filing of DAU;
20. Exh. "Q-1": Copy of office action issued by the Bureau of Trademarks Showing that the Respondent-Registrant did not file the required DAU;
21. Exh. "R" to "R-11": Certified true copies of Sales Invoices issued by the Petitioners as proof that it is using the mark TUNG HO since 1977;
22. Exh. "S": Sworn Affidavit of Asuncion J. Tee, Executed on 04 May 2010;
23. Exh. "T": Judicial Affidavit of Nr. Manuel Tee, executed on 05 Nov. 2010;
24. Exh. "U": Judicial Affidavit of Mr. Paul Tee, executed on 05 May 2010;
25. Exh. "V": Certified true copy of Decision of the court of Appeals promulgated on 23 Oct. 1986 in CA-G>R> No. 08390, wherein the court held that the parties are both importers of agricultural sprayer parts bearing the mark TUNG HO and that the real owner of the mark is TIEN HUNG AGRICULTURAL Company Limited of Taiwan;
26. Exh. "W": Certified true Copy of the resolution of the Supreme Court dated 26 Aug. 1987 affirming the Director of Patents in rejecting its Application of mark for TUNGHO filed by the Petitioner;
27. Exh. "X": Copy of the Decision of the BPTTT rejecting the registration of the mark TUNG HO; and
28. Exh. "Y" and "Z": Copies of photograph of Petitioners Agricultural Sprayer and that of the Respondent-Registrant.

On 28 September 2010, the respondent-Registrant filed its Verified Answer alleging among other things, that the Petitioner is not the true and actual owner of the mark "TUNG HO". The Respondent-Registrant claims that he is the true and rightful owner of the mark by reason of his real, actual and absolute use thereof in the concept of owner and as the first one to file the trademark application. He submitted the following as evidence:

- 1.Exh. "1": Legalized Affidavit-direct Testimony of the Respondent-Registrant;
- 2.Exh. "2": Certified copy of Cert. of Trademark Reg. No. IDM000037546 issued by the Rep. of Indonesia for TUNG HO in International Class 8;
- 3.Exh. "3": Verified English translation of Trademark Reg. No. IDM000037546 issued by the Rep. of Indonesia for TUNG HO in international class 8;
- 4.Exh. "4": Photocopy of the Philippines Cert. of Reg. No. 4-2006-008112 for TUNG HO, TH & device in International class 8;
- 5.Exh. "5": Certified copy Philippines Cert. of Reg. No. 28641 for TIEN HUNG in International Class 8;
- 6.Exh. "6": Certified copy Philippines Cert. of Reg. No. 4-2001-000274 for TIEN HUNG in International Class 7;
- 7.Exh. "7": Copy of Aug. 2010 edition of the Philippines Magazine Agriculture;
- 8.Exh. "8": Copy of Apr. 2010 edition of the Philippines Magazine Agriculture;
- 9.Exh. "9": Copy of Apr. 2010 edition of the Philippines Magazine Agriculture;
10. Exh. "10": Copy of Feb. 2010 edition of the Philippines Magazine Agriculture;
11. Exh. "11": Copy of Oct. 2010 edition of the Philippines Magazine Agriculture; and
12. Exh. "12": Copy of Aug. 2010 edition of the Philippines Magazine Agriculture;

Should Trademark Reg. No. 4-2006 -008112 be cancelled?

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 good to which it is affixed; to secure to him, who has been instrumental in bringing into 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.

Sec. 138 of the IP Code States:

Sec. 138 Certificate of Registration – A certificate of registration of a mark should be 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.

Corollarily, Sec. 151 IP Code, States in part that:

Sec. 151 Cancellation- 151.1 A petition to cancel a registration of a mark under this act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this act as follow:

(a) Within five (5) years from the date of the registration of the mark under this Act. x x x

Thus, the law allows any person, like the Petitioners in the case, to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. Once filed a cancellation proceeding becomes basically a review of the trademark registration in question to determine if the legal requirements for registration have been satisfied. Thus Supreme Court held:

By itself, registration is not a mode of acquiring ownership. When the application is not the owner of the trademark being applied for, he has no right to apply for registration of the same x x x

“Registration, without more does not confer upon the registrant an absolute right to the registered mark. The Certificate of Registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership in an appropriate case.”

After a judicious review of the records and evaluation of the Petitioners allegations, arguments and evidence, this Bureau finds compelling reason to cancel the subject trademark registration.

First, the Respondent-Registrant mark is confusingly similar to the registered mark of the Petitioner. The feature that gives the Petitioners mark the distinctive character of a trademark is the combination of the letters “TH”. While the Respondent-Registrant mark is composite with the words “TUNG HO” placed at the bottom. The eyes are drawn to the “TH” letters-combination as it occupies a prominent position at the center of the mark. The absence of others letters or words aside from the letters combination “TH” in the petitioners mark and the fact that the competing marks are used on the same goods, specifically, “sprayer”, makes it likely for the consumers to confuse one party product with that of the other/ moreover, the consumer will have the impression y that the goods have a common or single source or origin or that the parties are connected or associated with one another. The likelihood of confusion would subsist not only on the purchaser perception of the goods but on the origin thereof.⁶ On this premise, considering that at the time the Respondent-Registrant filed his trademark application in 2006 the petitioner has an existing trademark registration, the Respondent-Registrant application should have been refused pursuant to Sec. 123.1(d) of the IP Code.

Secondly, this Bureau finds that the Respondent-Registrant has no right to register the mark “TUNG HO” or a mark contains the words because he is not the owner hereof. Evidence shows that the mark “TUNG HO” HAS BEEN USED IN THE Philippines for “sprayers” by parties other than the Respondent-Registrant long before the latter filed a trademark application. The Respondent-Registrant did not adduce evidence to prove that his use of the mark “TUNG HO” is in good faith and that his “creation” and registration of the mark was not inspired by intent to copy or appropriate mark that belongs to another. He himself in fact pointed out that in a decision of the Court of Appeals, it was held that the mark “TUNG HO” is of no moment. The critical issue in this instance is whether or not the Respondent-Registrant is the owner of the mark. The evidence shows that he is not while the Respondent-Registrant submitted copies of his trademark registration in Indonesia, the applications and registration were only done from 2005.

The field from which a person may select a trademark is practically unlimited. As in all other case of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and design available, the Respondent-Registrant had to come up with a mark identical or so closely similar to another mark if there was no intent to take advantage of the good will generated by the other mark.

WHEREFORE, the instant Petition for Cancellation is hereby GRANTED for the reasons stated above. Let the file wrapper of the Trademark Registration No. 4-2006-008112 be returned, together with a copy of this Decision, to the bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 September 2011

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office