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| HUME CEMBOARD SDN BHD, Opposer, | } | Inter Partes Case No. 4062 |
| | } | Opposition to: |
| | } | |
| | } | Serial No. : 85687 |
| -versus- | } | Date Filed : 5-5-93 |
| | } | Trademark : "CEMBOARD" |
| | } | For: Wood Wool Cement Board |
| | } | |
| APTECH MANUFACTURING CORP. Respondent-Applicant. | } | Decision No. 2002 – 04 |
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DECISION

This pertains to the Opposition filed by HUME CEMBOARD SDN BHD, a corporation organized and existing under the laws of Malaysia with principal office at the 3rd Floor, Bangunan Hong Leong, 117 Jalan Tun H.S. Lee, 50000 Kuala Lumpur, Malaysia, against the registration of the trademark "CEMBOARD" for wood wool cement board, bearing Application Serial No. 85687 and filed on 05 May 1993 in the name of APTECH MANUFACTURING CORPORATION, a corporation organized and existing under the laws of the Philippines, with principal address at the 15th Floor, Strata 200 Building, Emerald Avenue, Pasig City, Metro Manila.

The subject application was published on page 45, Volume VII, No. 2, March-April 1994 issue of the Official Gazette of the Bureau of Patents, Trademarks and Technology Transfer (BPTTT), which was officially released for circulation on 12 May 1994. Opposer filed the Verified Notice of Opposition on 07 September 1994, having been granted by this Office an extension of time to de so, upon Motion for Extension filed by the Opposer on 20 June 1994.

The grounds for the opposition to the registration of the trademark CEMBOARD are as follows:

- "1. The application for registration of the trademark CEMBOARD by the Respondent-Applicant is in violation of and runs counter to the provisions of Section 4(d) of Republic Act No. 166, as amended which prohibits the registration of a trademark that is similar or confusingly similar to a mark previously used in the Philippines by another and not abandoned as to be likely, when applied to or used in connection with the goods of the Respondent-Applicant, to cause confusion or mistake or to deceive purchasers.
- "2. The application for registration of the mark CEMBOARD by the Respondent-Applicant was made fraudulently and in bad faith as Respondent-Applicant had prior knowledge of the Opposer's use of the trademark CEMBOARD at the time of the filing of the subject application.
- "3. The Opposer has spent much for the promotion and advertisement of the mark CEMBOARD and its business and goodwill clearly be damaged and will suffer irreparable injury if Respondent-Applicant will be allowed to register and use the mark CEMBOARD in the Philippines."

To support its opposition, Opposer relied upon the following facts, among others:

- “1. The trademark CEMBOARD of the Respondent-Applicant so resembles the trademark CEMBOARD of the Opposer as to be likely, when applied to or is used in connection with the goods of the Respondent-Applicant to cause confusion, mistake or to deceive purchasers.

More specifically, the public patronizes of Opposer's products are deceived into buying Respondent-Applicant's goods or are under the impression and mistaken belief that Respondent-Applicant's goods are identical with or come from the same source as of Opposer's products or that the Respondent-Applicant is an affiliate or a licensee of the Opposer, which it is not.

- “2. Opposer and its predecessor-in-interest have been using commercially the mark CEMBOARD for building boards made of cement and wood in Malaysia since 04 January 1993 and in the Philippines since 1988. The same has been extensively used by the Opposer in different countries of the world.
- “3. Respondent-Applicant has no right to use and register the mark CEMBOARD since its alleged date of first use of the same mark was only on September 1, 1992, a date much later than the date the Opposer started using the mark CEMBOARD in the Philippines.
- “4. Aside from the prior adoption and continuous use, Opposer has registered in its name the mark CEMBOARD in the following countries:
- | | | |
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| West Malaysia | - | 4 th January 1983 |
| Sarawak | - | 4 th February 1983 |
| Singapore | - | 7 th January 1983 |
| Brunei | - | 20 th December 1982 |
| Indonesia | - | 31 st May 1983 |
- “5. Opposer conducted the promotions and advertisements of the mark CEMBOARD even before the Respondent-Applicant filed the subject trademark application. Respondent-Applicant therefore in adopting, using and applying for registration of the mark CEMBOARD for wood wool cement board is exploiting the Opposer's goodwill generated by its numerous promotional advertisements and publicity campaign.
- “6. Due to the popularity and goodwill established by the Opposer, Respondent-Applicant could be said to have applied the subject application fraudulently and in bad faith as it has knowledge of the prior use of the mark by the Opposer at the time it filed the application.

The Notice to Answer, dated 19 September 1994, was sent to the Respondent-Applicant and received by Respondent-Applicant's counsel on 20 September 1994. Respondent-Applicant filed a Motion for Extension of Time to File Answer, which motion was granted by the BPTTT as

per Order no. 94-871 dated 13 December 1994. Respondent-Applicant filed its Answer on 09 January 1995. The case was then set for pre-trial conference on 15 February 1995. Respondent-Applicant filed a Motion to Re-set Pre-Trial on the ground that counsel had a previously scheduled hearing with Regional Trial Court of Makati. Pre-trial was re-set to 15 March 1995. Thereafter, the hearing of the case was postponed several times and re-set to 09 May 1995, 21 June 1995, 25 July 1995, 05 September 1995, 05 October 1995, 29 November 1995, and finally to 17 January 1996, upon manifestation of the parties that negotiations for amicable settlement are on-going.

At the hearing on 17 January 1996, counsel for Respondent-Applicant manifested its withdrawal from the case on the ground that the ownership of the trademark CEMBOARD was acquired by a certain ANOTION T. MENDEZ who, despite being informed of the pendency of the case, failed to advise counsel for Respondent-Applicant whether or not he wanted to proceed with the instant case. The Motion to Withdraw as Counsel was filed on 13 February 1996, which motion was noted and made of record by Bureau of Patents, Trademarks and Technology Transfer (BPTTT) AS PER Order No. 96-139. However, since no assignment to Mr. Antonio T. Mendez of the trademark CEMBOARD was recorder, the Bureau of Patents, Trademark and Technology transfer (BPTTT) still considered APTECH MANUFACTURING CORPORATION to be the respondent in the instant case. Counsel for Respondent-Applicant was ordered to obtain the consent of Aptech Manufacturing Corporation before any action on the Motion to Withdraw as Counsel can be taken.

On 15 August 1996 Opposer filed a Motion to Declare respondent as in Default on the following grounds: (a) the pre-trial of the case has been reset several times upon request of the Respondent-Applicant's counsel; (b) Respondent-Applicant and Mr. Antonio T. Mendez failed to positively respond to the query of counsel as to whether or not they want to retain counsel's services in the instant case; (c) no compliance with Bureau of Patent, Trademark and Technology Transfer's (BPTTT) Order No. 96-139 was forthcoming as of the filing of the Motion to Declare Respondent as in Default. Opposer reiterated the reasons it adduced in the first motion to show Respondent-Applicant's lack of interest in pursuing its application for registration of the trademark CEMBOARD. Opposer, likewise alleged that it is greatly prejudiced by the inaction of the Respondent-Applicant as its own application for the same trademark is barred during the pendency of the instant Opposition. Finding the reasons adduced by the Opposer to be meritorious, the Bureau of Patent, Trademark and Technology Transfer (BPTTT) issued Order No. 97-169 on 18 March 1997, declaring Respondent-Applicant as in default.

Admitted in evidence for the Opposer are Exhibits "A" to "O" inclusive of sub-markings consisting of (a) Special Power of Attorney authorizing counsel to represent Opposer in the instant case; (b) Opposer's Philippine application for the registration of the trademark CEMBOARD, for building boards made from cement and wood under class 19; (c) Affidavit of Mr. Ten Jin Gee, Director of Hume Cemboard SDN. BHD., attesting to the dates when the mark CEMBOARD was first used in Malaysia and the Philippines and to the registration of said trademark in various countries; (d) Copy of the Certificate of Registration of the mark CEMBOARD in West Malaysia, dated 04 January 1983; (e) Copy of the Certificate of Registration of the trademark CEMBOARD in Brunei, dated 20 December 1982; (f) Copy of the Certificate of Registration of the trademark CEMBOARD in Singapore, dated 07 January 1983; (g) Copy of the Certificate of registration of the trademark CEMBOARD in Sarawak, dated 03 February 1983; (h) A publication entitled "CEMBOARD the Multi-Purpose Building Board" published by the Opposer; (i) Affidavit of Mr. John T. Cheng attesting to his being the exclusive Philippine distributor of CEMBOARD products since 1983, under the name and style of Tashi Marketing and that as distributor, Tashi Marketing has participated as an exhibitor at the 14th, 15th, 16th and 17th annual conventions of the United Architects of the Philippines; (j) Publication entitled "1988 14th Annual National Convention Souvenir Program (Responding to Present Realities)" showing Tashi Marketing's participation as both exhibitor; (k) Publication entitled "15th UAP National Convention (Architecture: Technology with Humanism)" showing Tashi Marketing's participation as booth exhibitor; (l) Pictures of Tashi Marketing's both during the 1989 and 1991 UAP annual conventions, showing the display of building materials including CEMBOARD

products; (m) Publication entitled "16th Annual UAP National Convention & UAP-Philbuild '90 International Exhibition", showing Tashi Marketing's participation as booth exhibitor of building materials including CEMBOARD products; (n) Publication entitled "17th UAP Annual Convention (Muling Pagtanaw Bagong Pananaw, Evolution of Filipino Architecture) showing Tashi Marketing's participation as booth exhibitor of building materials, including CEMBOARD products; (o) Ad brochures of Tashi Marketing Advertising CEMBOARD asbestos-free building boards; (p) Sample of the product, i.e., cement building board, that is being distributed by Tashi Marketing.

The issues to be resolved in this particular case are: (a) whether or not there exists a confusing similarity between the Opposer's trademark CEMBOARD and Respondent-Applicant's trademark CEMBOARD; and (b) who between the Opposer and Respondent-Applicant is the prior user entitled to protection under the Trademark Law.

Considering that the application subject of the instant opposition was filed under the old Trademark Law (R.A. 166, AS AMENDED), THIS Office shall resolve the case under the said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

The applicable provisions of the Trademark Law R.A. 166, as amended, particularly Section 4 (d) provides:

"Sec.4. Registration of trademarks, trade-names and service-marks on the principle register – xxx The owner of a trademark, trade-name, service-mark used to distinguish his goods, business or services from the goods, business or services of others shall have a right to register the same on the Principal Register, unless it:

"xxx

"(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers."

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would *actually* cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public.

The Supreme Court, in determining whether or not there is confusingly similarity between trademarks, has relied on the dominancy test or the assessment of the essential or dominant features in the competing trademarks. Even the spelling and the similarity in sounds and pronunciation are taken into consideration. Thus, in the case of *Co Tiong Sa vs. Director of Patents (95 Phil 1)* the application for the registration of the trademark "FREEDOM" was rejected due to the existing registration of the mark "FREEMAN" over the same class of goods.

In the case of *Marvex Commercial Co. vs. Hawpia & Co. (18 SCRA 1178)*, THE Supreme Court found that:

"The tradename "LIONPAS" for medicated plaster cannot be registered because it is confusingly similar to "SALONPAS", a registered trademark also for medicated plaster. xxx although the two letters of "SALONPAS" are missing in "LIONPAS" the first

letter a and the letter s. Be that as it may, when two words, are pronounced, the sound effects are confusingly similar. xxx”

In the case of *American Wire and Cable Co. vs. Director of Patents (31 SCRA 544)*, THE Supreme Court observed that:

“xxx The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; xxx no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other.”

In the case at bar, the trademark CEMBOARD being applied for by Respondent-Applicant in connection with its product, i.e. wood wool cement board, is not similar to but is exactly the same trademark CEMBOARD used by the Opposer for its own products, i.e., building boards made from cement and wood. Thus, the use of the trademark CEMBOARD by the Respondent-Applicant on its wool wood cement board is likely to lead to a confusion of source.

As per the evidence presented, Opposer has been selling CEMBOARD building boards in the Philippines as early as 1988 through its exclusive distributor, Tashi Marketing. On the other hand, other than its claim of first use of the trademark in the year 1992, no evidence was presented by the Respondent-Applicant pertaining to its first use of the trademark CEMBOARD in the Philippines. Thus, it is clear from the foregoing that between the Opposer and the Respondent-Applicant, the former has sufficiently proven that it is the prior user of the trademark v CEMBOARD and is therefore entitled to protection from infringement thereof. Consequently, the mark CEMBOARD of Respondent-Applicant, in connection with wood wool cement board, cannot be allowed registration for being exactly the same as Opposer’s trademark, used on building boards made of wood and cement.

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Consequently, Application bearing Serial No. 85687 for the mark “CEMBOARD” filed by APTECH MANUFACTURING CORPORATION on 05 May 1993 is hereby REJECTED.

Let the filewrapper of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, 26 February 2002.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs