



TONGYAH ELECTRONIC TECHNOLOGY  
CO. LTD.,  
Opposer,

-versus-

GILBERT G. CHUA,  
Respondent- Applicant.

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IPC No. 14-2012-00329  
Opposition to:  
Appln. Serial No. 4-2011-012214  
Date Filed: 11 October 2011  
TM: "SOKO GENUINE  
PARTS & DEVICE"

### NOTICE OF DECISION

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### GREETINGS:

Please be informed that Decision No. 2014 - 188 dated July 06, 2014 (copy enclosed)  
was promulgated in the above entitled case.

Taguig City, July 06, 2014.

For the Director:

  
**Atty. EDWIN DANILO A. DATING**  
Director III  
Bureau of Legal Affairs



<b>TONGYAH ELECTRONIC TECHNOLOGY</b>	} <b>IPC NO. 14-2012-00329</b>
<b>CO. LTD.,</b>	} Opposition to:
Opposer,	}
-versus-	} Application No. 4-2011-012214
	} Date filed : 11 October 2011
	}
<b>GILBERT G. CHUA,</b>	} Trademark: <b>"SOKO GENUINE</b>
Respondent-Applicant.	} <b>PARTS &amp; DEVICE"</b>
	}
x-----x	} Decision No. 2014- <u>188</u>

### DECISION

**TONGYAH ELECTRONIC TECHNOLOGY CO. LTD.** (Opposer)<sup>1</sup> filed an opposition to Trademark Application Serial No. 4-2011-012214. The application, filed by **GILBERT G. CHUA** (Respondent-Applicant)<sup>2</sup>, covers the mark "SOKO GENUINE PARTS & DEVICE", for use on "motorcycle, engines and its related accessories, namely automotive, motorcycle and bicycle tires and tubes" under Class 05 of the International Classification of Goods<sup>3</sup>.

The Opposer relies on the following grounds in support of its Opposition:

"1. Opposer is the true owner and rightful proprietor of the internationally well known trademark 'KOSO & DEVICE' ('KOSO') that is used on various goods manufactured and sold by the Opposer in Class 12.

"2. As the owner of the KOSO Trademark, Opposer has caused the filing of trademarks application, and has obtained registrations of KOSO Trademarks in Taiwan, USA, Europe, Russia, China, Malaysia, Indonesia and the Philippines and other countries around the world. The KOSO trademark has been registered as early as 1992 in Taiwan.

"3. Opposer maintains worldwide and extensive advertising and promotional campaigns for its goods bearing the KOSO trademarks through various publications and trade fairs. Its worldwide presence is supported by the company's website showing its various offices in North America, Europe and Asia.

<sup>1</sup> A company organized and existing under the laws of Taiwan, with principal office at 406 Ding An Street, Tainan City, Taiwan

<sup>2</sup> With address at #9 Nicanor Jacinto St. Classic Homes, B.F. Homes, Paranaque City

<sup>3</sup> The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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.



"4. Opposer has continuously used the KOSO Trademarks worldwide since 1989.

"5. Opposer has used the KOSO Trademarks in the Philippines since 1994 through the shipment of its products bearing KOSO Trademark from Taiwan.

"6. By reason of Opposer's worldwide, open and continuous use of the 'KOSO' Trademark, and its various trademark registration and application for the KOSO Trademarks around the world, the same has become internationally known and have acquired a meaning exclusively identified with Opposer's goods.

"7. On 17 July 1998, the IPO (formerly the Bureau of Patents, Trademarks, and Technology Transfer) issued Certificate of Registration bearing Registration No. 41998005241 for 'KOSO' in the name of Opposer. The mark was registered for 'component parts of car and motorcycle, namely clutch cylinder, headlight, wheel, lever, fan, starter kick, pulley, roller, hand grip, mirror, wicker lens, tail light, carburetor, rubber ties (sic) in Class 12.

"8. On 11 October 2011, Respondent-Applicant fraudulently applied for the registration of the trademark 'SOKO' with application no. 4-2011012214 in Class 12 for motorcycle, engines and its related accessories, namely automotive, motorcycle and bicycle tires and tubes, thereof, undoubtedly to take advantage of the popularity and goodwill generated by Opposer's 'KOSO' Trademark will show that they are confusingly similar, and thus result in confusion among the buying public. There are limitless names and letter combinations available to Respondent-Applicant, but it nevertheless sought to register the trademark 'SOKO' to clearly confuse or deceive purchasers into believing, that the goods of Respondent-Applicant are those of the Opposer's.

"9. The use of the trademark 'SOKO' by the Respondent-Applicant on its goods would falsely suggest a connection with the Opposer and would inevitably cause the buying public to confuse the Respondent-Applicant's goods as that of Opposer's.

"10. Respondent-Applicant's use of the trademark 'SOKO' will also diminish the distinctiveness and dilute the goodwill associated with Opposer's 'KOSO' Trademark, which have become distinctive for, practically synonymous with, the goods and products manufactured and sold by the Opposer all over the world.

"11. The registration of the trademark 'SOKO' in the name of the Respondent-Applicant, which is identical and confusingly similar to the Opposer's 'KOSO' Trademark, will cause the latter incalculable damage to its reputation and general business standing.

"12. The use and adoption by Respondent-Applicant of the trademark 'SOKO', which is identical to, and closely resembles, Opposer's 'KOSO' Trademark, constitutes an unlawful appropriation of an internationally well-know mark. Accordingly, Application No. 4-2011-012214 filed by Respondent-Applicant for the registration of the trademark 'SOKO' is in violation of Section 123(e) and (f) of Republic Act No. 8293, or the Intellectual Property Code of the Philippines ('IP Code'), Article 6bis of the Paris Convention and various provisions of the TRIPS Agreement.

"14. Moreover, Opposer's Philippine trademark registration of its 'KOSO' Trademark was issued, and its application for registration of its 'KOSO' Trademark was filed, prior to the filing date accorded to Respondent-Applicant's application for the mark 'SOKO'. Further, considering that the Respondent-Applicant's mark closely resembles Opposer's 'KOSO' Trademarks, Application No. 4-2011-012214 should not be allowed to proceed to registration pursuant to Section 123(d) of the IP Code."

The Opposer submitted as evidence the following:

1. Copy of Certificate of Registration No. 4-1998-05241 issued on 28 April 2003 for the mark "KOSO & DEVICE";
2. Copy of Registration No. 07002121 for the mark "KOSO" from Malaysia;
3. Copy of Certificate of Registration No. 3,019,353 for the mark "KOSO" in the United States of America;
4. Copy of Certificate of Registration from Office for Harmonization in the Internal market (OHIM) for the mark "KOSO";
5. Copies of registrations for the mark "KOSO" in the following countries: Malaysia, China, Taiwan, Japan, Indonesia, Thailand and Vietnam;
6. Sample catalogues and advertising materials brochures for the mark "KOSO";
7. Photographs during trade fairs in Italy and China; and
8. Screenshots from website [www.koso.com.tw](http://www.koso.com.tw).<sup>4</sup>

The Respondent-Applicant filed his Answer on 28 January 2013 alleging, among other things, the following:

"1. The Respondent-Applicant is the authorized dealer of the product Soko Genuine Parts & Device (the 'Soko Products') in the Philippines. Corollary to the dealership is the authorization of the Respondent-Applicant to register the trademark 'Soko Genuine Parts & Device' (the 'Soko Trademark') in the Philippines. Notably, the Soko Trademark was also registered in internationally in different jurisdictions, such as China and Indonesia.

"3. Contrary to the allegations of the Opposer, the Respondent-Applicant's trademark does not infringe paragraphs (d), (e) and (f) of

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<sup>4</sup> Annexes "A" to "N" inclusive of submarkings



Republic Act No. 8293, of the Intellectual Property Code ('IP Code'), nor does it infringe Article 6(b) of the Paris Convention for the Protection of Industrial Property (the 'Paris Convention') and the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

"4. The Opposer is claiming that the Soko Trademark will cause confusion among the buying public as it is allegedly similar to the Koso & Device Trademark (the 'Kosos Trademark'). However, several factors negate this allegation. The case of *Mighty Corporation v. E.J. Gallo Winery* is enlightening in determining whether there is the likelihood of confusion. x x x

"5. Applying the foregoing standard of 'colorable imitation,' a standard side-by-side comparison between the Soko trademark and the Koso Trademark will clearly reveal that in no way can the public be confused as to the source of the product associated with the said marks since there are no notable similarities between the two marks: x x x

"6. The Opposer's trademark, which is covered by the Certificate of Registration No. 4-1998-05241 for the mark 'Koso & Device,' the mark is described as follows 'Kosos in stylized lettering, all capitalized underneath the 'Koso' design made up of a ball-like symbol and a jellyfish like symbol in place of the letters 'O' in the word 'Koso.'

"7. On the other hand, the Soko Trademark is described as follows: '[t]he mark consists of the word 'SOKO' in red and 'GENUINE PARTS' in white; all against a black rectangular background.' It is also worthy to note that unlike the Koso Trademark, the Soko Trademark included a claim for the colors it used.

"8. Thus, applying the standard of 'colorable imitation,' the Soko Trademark, having different colors, font style, wording, layout, and general design from the Koso Trademark, which mark even contains symnols described as 'ball-like' and 'jellyfish like,' could not possibly result into a confusion among the buying public as the trademarks are obviously different from one another.

x x x

"14. The Opposer failed to duly establish that it has the legal capacity to file the instant Opposition. The Opposer is a foreign organized under the laws of Taiwan, with principal office at 406 Ding An Street, Tainan City, Taiwan. However, a reading of the Opposition failed to prove that it has legal capacity to sue due to its lack of registration in our jurisdiction.

"15. Generally, under Section 133 of the Corporation Code, a foreign corporation transacting business in the Philippines without a license may not be permitted t maintain or intervene in any action, suit or proceeding

in any court or administrative agency in the Philippines. In the instant case, if we follow the logic behind the Opposer's allegation that the Koso Trademark is well-known internationally and in the Philippines, it easily gives the impression that the Opposer's presence in the Philippines is so extensive that it cannot be denied that it is already conducting business here, and notably, without a license. As a matter of fact, even if we apply Sec. 160 of the IP Code, the Opposer still failed to show that it has the legal capacity to file the instant Opposition since the place where it was incorporated, the country of Taiwan, is not even a signatory to the Paris Convention.

"16. The Opposer is claiming that the Koso Trademark is well-known internationally and in the Philippines. However, an examination of the Opposition reveals that the Opposer did not provide any proof that it is indeed well-known in the Philippines. The photographs presented purportedly of the trade fairs for the product were even taken in other countries and not in the Philippines. Actually, the lone allegation of the Opposer that the product was supposedly introduced in the Philippines through a shipment of its products in 1994 is not even supported by any kind of evidence.

"17. The Soko Products are not just local products, but are also known and marketed internationally. The Soko products are available in countries like China, Indonesia, among others. Thailand, Malaysia and Vietnam (Sir, there is no IPO registration yet in the highlighted countries)

"18. As earlier stated, Soko trademark is also registered in China under classes 7, 9 and 12 and likewise in Indonesia under Class 12. In the Philippines, the mark is being registered under Class 12 for products such as 'motorcycle, engines and its related accessories, namely, automotive, motorcycle, bicycle tires and tubes."

The Respondent-Applicant submitted as evidence the following:

1. Secretary's Certificate signed by Zkulei Chen; and
2. Copy of Certificate of Registration in China and Indonesia.<sup>5</sup>

The Preliminary Conference was terminated on 5 September 2013 where the Hearing Officer directed both parties to file their respective position papers. The Opposer and Respondent-Applicant filed their position papers on 27 September 2013 and 16 September 2013, respectively.

At the outset, the Respondent-Applicant raised the issue that the Opposer does not have the legal capacity to file the Opposition because Taiwan is not a signatory to the Paris Convention. This Bureau believes that the Opposer has the right to file under Section 3 of the IP Code, which states:

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<sup>5</sup> Annex "A" to "C"



### Section 3. International Conventions or Reciprocity

Any person who is a national or is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to national of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled under this Act.

Not only is the Opposer, a company organized in Taiwan, a member of the World Trade Organization, and implemented agreements, such as the Agreement on Trade Related Aspects of Intellectual Property Rights, but is the owner of an intellectual property right in the Philippines, being the registered owner of the trademark KOSO and Device.<sup>6</sup>

Under Philippine law, the right of a foreign national proceeds from either of two sources. The first is prior use in commerce of the mark or trade name in the Philippines, from which grows property rights thereto. xxx The second source or basis of the right of a foreign national to have his mark or trade name protected in this country is its registration in the Philippine Patent Office, now the Intellectual Property Office, the validity of which has to be confirmed by its declaration of its use in the country..."<sup>7</sup>

Should the Respondent-Applicant be allowed to register the trademark SOKO GENUINE PARTS AND DEVICE?

Sec. 123.1. Registrability. A mark cannot be registered if it:

- (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.

The records show that when the Respondent-Applicant filed its application on 11 October 2011, the Opposer already has an existing registration for the trademark KOSO & DEVICE<sup>8</sup> issued on 28 April 2003 covering goods under Class 12 namely, "component parts of car and motorcycle, namely clutch cylinder, headlight, wheel, lever,

<sup>6</sup> Annex "A"

<sup>7</sup> Ruben E. Agpalo, The Law on Trademark Infringement and Unfair Competition, 2000, Rex Book Store, 208

<sup>8</sup> Annex "A"

fan, starter kick, pulley, roller, hand grip, mirror, wicker lens, tail light, carburetor, rubber tires ". The Respondent-Applicant uses its mark on goods under class 12, that are similar or closely related to the Opposer's, particularly, motorcycle, its related accessories, tires and tubes, that flow through the same channels of trade. In *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andresons Group, Inc.*<sup>9</sup>, the Supreme Court held:

"In resolving whether goods are related, several factors come into play:

- (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, 100 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."

But are the competing marks, depicted below resemble each other such that confusion, even deception, is likely to occur?



Opposer's mark



Respondent-Applicant's mark

The Opposer's word mark KOSO consist of two syllables, "KO" and "SO" which are identical syllables used in the Respondent-Applicant's mark, except that the position of the literal elements is exchanged. The words 'GENUINE PARTS' have been disclaimed. Thus, the Respondent merely transposed the last syllable, SO as the prefix and the syllable KO as the suffix. When pronounced repeatedly, marks are aurally the same and confusingly similar. The Supreme Court held:

<sup>9</sup> G.R. 154342, July 14, 2004



The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, Unfair Competition and Trade Marks, 1947, vol. 1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sound: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jazz-Sea"; "Silver Flash" and "Supper-Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo". Leon Amdur, in his book "TradeMark Law and Practice", pp. 419-421, cites, as coming within the purview of the *idem* sonans rule, "Yusea" and "U-C-A", "Steinway Pianos" and "Steinberg Pianos", and "Seven-Up" and "Lemon-Up". In *Co Tiong vs. Director of Patents*, this Court unequivocally said that "Celdura" and "Cordura" are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name "Lusolin" is an infringement of the trademark "Sapolin", as the sound of the two names is almost the same.

Succinctly, because the Respondent-Applicant uses its mark on goods that are similar or closely related to the Petitioner's it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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. Here, 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.<sup>10</sup>

The public interest, therefore, requires that 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 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.<sup>11</sup>

More importantly, the evidence show that the Respondent-Applicant was not authorized to file an application for the mark SOKO GENUINE PARTS AND DEVICE because he is a mere distributor and the foreign document purportedly authorizing him to

<sup>10</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

<sup>11</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra*, *Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).



register the mark SOKO GENUINE PARTS & DEVICE was not properly authenticated by any Philippine diplomatic or consular office in accordance with the Regulations on Inter Partes Proceedings and Section 24, Rule 132 of the Rules of Court, to wit:

“Sec. 24. *Proof of official record.* — The record of public documents referred to in paragraph (a) of Section 19, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by the officer having the legal custody of the record, or by his deputy, and accompanied, if the record is not kept in the Philippines, with a certificate that such officer has the custody. If the office in which the record is kept is in foreign country, the certificate may be made by a secretary of the embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the Philippines stationed in the foreign country in which the record is kept, and authenticated by the seal of his office.

Moreover, the records show that the person signing the Secretary’s Certificate<sup>12</sup>, ZHULEI CHEN, is not the same person named LI JIAN CHANG, mentioned as the duly elected and incumbent Corporate Secretary of Wenzhou Zhaoxiang Automobile & Motorcycle Fittings Co. Ltd., the alleged owner of SOKO products. The Respondent-Applicant being a mere distributor, not having the proper documentation and authorization should not be allowed to file an application. The Supreme Court held:

As a mere distributor, petitioner Superior undoubtedly had no right to register the questioned mark in its name. xxx An exclusive distributor does not acquire any proprietary interest in the principal’s trademark and cannot register it in his own name unless it is has been validly assigned to him.<sup>13</sup>

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2011-012214 is hereby **SUSTAINED**. Let the filewrapper 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, 6 July 2014.

  
Atty. **NATHANIEL S. AREVALO**  
Director IV  
Bureau of Legal Affairs

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<sup>12</sup> Annex “A”

<sup>13</sup> *Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Ltd. G.R. No. 169974, 20 April 2010*