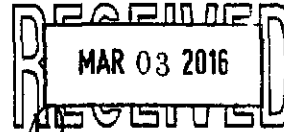


REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
MANILA

Intellectual Property Office of the Phils.
Office of the Director General-Legal



BY: [Signature] TIME: _____

KOLIN PHILIPPINES
INTERNATIONAL, INC.,
Petitioner,

-versus-

CA-G.R. SP. NO. 131918

KOLIN ELECTRONICS, CO.,
INC.,
Respondent.

February 16, 2016

X-----X

NOTICE OF DECISION

SIR:

Please take notice that on **February 16, 2016** a DECISION copy hereto attached was rendered by the **THIRTEENTH (13th) DIVISION** of the Court of Appeals, the original copy of which is on file with this office.

You are hereby DIRECTED to INFORM this Court within five (5) days from notice hereof, the date when you received this Decision.

Very truly yours,

[Signature]
ABIGAIL S. DOMINGO-LAYLO
Division Clerk of Court

COPY FURNISHED:

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Bureau of Legal Affairs

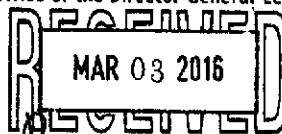
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Republic of the Philippines
Court of Appeals
 Manila

Intellectual Property Office of the Phils.
 Office of the Director General-Legal



BY: *[Signature]* TIME: _____

THIRTEENTH DIVISION

**KOLIN PHILIPPINES
 INTERNATIONAL, INC.,**

CA-G.R. SP No. 131918

Petitioner, Members:

- versus -

**PIZARRO, N.B., Chairperson,
 GAERLAN, S.H., and
 QUIJANO-PADILLA, M.L.C., JJ.:**

KOLIN ELECTRONICS, CO., INC.,
Respondent.

Promulgated: 16 FEB 2016

xxx-----

NA/ 2:40pm-----xxx

DE CISION

QUIJANO-PADILLA, J.:

This is a petition for review under Rule 43 of the 1997 Rules of Civil Procedure filed by petitioner Kolin Philippines International, Inc., assailing the Decision¹ dated September 12, 2013, of the Office of the Director General of the Intellectual Property Office of the Philippines (IPO), which dismissed petitioner's appeal from the decision of the Director of the Bureau of Legal Affairs of the IPO (BLA-IPO), and in turn, upheld the registration of the tradename KOLIN under the name of respondent Kolin Electronics, Co., Inc.

Petitioner is affiliated with Taiwan Kolin Co., Ltd. (Taiwan Kolin), Republic of China. The latter authorized petitioner to adopt and use the mark and symbol "KOLIN" in the conduct of and representation of business involving the wholesale manufacturing, importing, assembling, selling or distributing and marketing of KOLIN-branded appliances and to apply for protection for the same in its own name.²

¹ Rollo, pp. 31-42 (Vol. I).

² Id. at pp. 250-251.

Consequently, on December 27, 2002, petitioner filed before BLA-IPO an Application³ for registration of the trademark "KOLIN" in Application Serial No. 42002-0011003 for goods falling under Class 35 of the Nice Classification of Goods, for the business of manufacturing, importing, assembling, selling products as air conditioning units, television sets, audio/video electronic equipment, refrigerators, electric fans and other electronic equipment or product of similar nature.

On April 20, 2006, respondent filed a Verified Notice of Opposition⁴ on the ground that it is the true owner of the mark KOLIN as per Certificate of Registration No. 4-1993-087497⁵ dated November 23, 2003. The issue on ownership over the mark KOLIN had been settled in *Inter Partes* Case No. 14-1998-00050, wherein the IPO adjudged respondent as the prior user and adopter of the mark KOLIN in the Philippines as against its opposer Taiwan Kolin, Co. Ltd., a majority stockholder of petitioner and has an active involvement in the latter's business. Furthermore, petitioner's registration of the mark KOLIN would cause a likelihood of confusion since both companies manufactured and imported the same products.

In its Answer,⁶ petitioner argued that the decision in *Inter Partes* Case No. 14-1998-00050 is not conclusive in this case since the registration of the mark KOLIN in that case concerned Class 9 goods and not Class 35, as in this case. Also, said decision has not attained finality and is in fact appealed to this Court in CA-G.R. No. 80641 entitled, *Taiwan Kolin, Ltd., v. Kolin Electronics Co., Inc.* Moreover, respondent's mark KOLIN is not a well-known mark. Only an owner of a well-known mark may claim to have an exclusive right to use its own symbol on goods and services other than those stated in the certificate of registration pursuant to Section 147.2 or Republic Act 8293 or The Intellectual Property Code of the Philippines.

Decision of the BLA-IPO

After all pleadings and evidence were presented, the BLA-IPO

3 Id. at pp. 44-47.

4 Id. at pp. 49-60.

5 Id. at p. 89.

6 Id. at pp. 185-219.

Decision

rendered Decision No. 2007-83⁷ dated June 29, 2007 sustaining respondent's opposition. Foremost, it ruled that respondent cannot claim ownership with finality of the trademark KOLIN against petitioner-applicant on the basis of the decision in *Inter Partes* Case No. 14-1998-00050 since there was no identity of the parties and subject matter in both cases. Although Taiwan Kolin is a major stockholder of petitioner, it is not a sufficient ground to conclude that the interest represented by petitioner and that of Taiwan Kolin are one and the same. Likewise, *Inter Partes* Case No. 14-1998-00050 involves Class 35, while this case covers Class 9, both of the Nice Classification of Goods. As regards that main issue as to the confusing similarity of the marks of the parties, the BLA-IPO held that while the parties' goods concerned two different classes, petitioner's products relate to electronic goods and respondent's business involves manufacturing, importing, assembling and selling home appliances, the element of "relatedness" was confirmed by petitioner's allegation that the products "complement each other". Thus, there can be unfair dealing by having one's business reputation confused with another. The dispositive portion of the Decision reads, as follows:

In view of all the foregoing, the instant Opposition is as, it is hereby **SUSTAINED**. Accordingly, application bearing Serial No. 4-2002-011003 for the mark "KOLIN" filed in the name of KOLIN PHILIPPINES INTERNATIONAL, INC. on 27 December 2002 under Class 35 of the Nice Classification of Goods is hereby **REJECTED**.

Let the file wrapper of "KOLIN" subject matter of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Aggrieved, petitioner appealed⁸ the BLA-IPO's decision to the IPO Director General, alleging that contrary to the BLA-IPO's finding, there is no likelihood of confusion or deception on the part of the purchasing public as to the origin or source of petitioner's goods and products, because respondent does not carry the goods or products being carried by petitioner and vice-versa. While petitioner alleged that the goods and products "complement each

⁷ Id. at pp. 459-477.

⁸ Id. at pp. 536-590 (Vol. II).

Decision

other", it meant to emphasize that the products are non-competing. The respective goods do not flow from the same channel or trade.

Decision of the IPO Director General

In the assailed September 12, 2013 Decision, the IPO Director General dismissed the appeal. Taking note from the related case of Taiwan Kolin Corp. Ltd and respondent, it held that:⁹

In this regard, with the decision of the Court of Appeals that the use by Taiwan Kolin Corp. Ltd. Of KOLIN would lead to confusion in business, the Appellant cannot register this mark. From the words of the Court of Appeals, "allowing Taiwan Kolin's registration would only confuse consumers as to the origins of the products they intend to purchase."

WHEREFORE, premises considered, the appeal is hereby dismissed.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purpose.

SO ORDERED.

Undaunted, petitioner filed before us this petition, premised on the following grounds, to *wit*:¹⁰

The Director General of the IPO gravely erred in dismissing the appeal filed by KPII and sustaining KECI's opposition to the application filed by KPII for registration of the name or symbol "KOLIN" in Class 35.

The Director General of the IPO gravely erred in ruling that a confusion of business will result as a consequence of the registration of KPII's name and symbol "KOLIN" in Class 35.

The primordial issue to be resolved is whether or not petitioner is entitled to its trademark registration of "KOLIN" over

⁹ Id. at p. 42 (Vol. I).

¹⁰ Id. at p. 10.

Decision

its specific goods under Class 35 for the business of manufacturing, importing, assembling, selling products as air conditioning units, television sets, audio/video electronic equipment, refrigerators, electric fans and other electronic equipment or product of similar nature. Petitioner postulates, in the main, that its goods are not closely related to those of respondent.

On the other hand, respondent hinges its case on this Court's findings in CA-G.R. SP No. 122565¹¹ that its and petitioner's products are closely-related. Thus, granting petitioner's application for trademark registration would cause confusion as to the public.

The petition is impressed with merit.

Settled is the rule that factual findings of quasi-judicial agencies such as the IPO are generally accorded not only respect, but at times, even finality because of the special knowledge and expertise gained by these agencies from handling matters falling under their specialized jurisdiction.¹² This rule, however, allows for exceptions. One of these exceptions covers instances when the quasi-judicial agency manifestly overlooked certain relevant facts, which, if properly considered, would justify a different conclusion¹³, as in this case. Therefore, it is incumbent upon this Court to reevaluate the evidence presented to come up with a sound conclusion.

Both parties hinge their case on this Court's ruling in CA-G.R. SP No. 122565 entitled "*Kolin Electronics Co., Inc. v. Taiwan Kolin Corp., Ltd.*", wherein the Court ruled in favor of respondent. The latter, on one hand, averred that said ruling shows that as the registered owner of the trademark KOLIN respondent is protected by law and has the right to prevent the registration of petitioner's identical mark which pertains to closely-related goods and services. Petitioner, on the other hand, averred that said ruling was reversed with finality by the Supreme Court in G.R. No. 209843.¹⁴ Following

11 Id. at pp. 1429-1441 (Vol. III). The case was raffled to the Special Seventeenth Division composed of Associate Justices Sasinando E. Villon, Rodil V. Zalameda, Pedro B. Corales .

12 See *General Milling Corporation v. Viajar*, G.R. No. 181738, January 30, 2013, citing *Eureka Personnel & Mgt. Services, Inc. v. Valencia*, G.R. No. 159358, July 15, 2009.

13 See *E.Y. Industrial Sales, Inc. v. Shen Dar Electricity and Machinery Co., Ltd.*, G.R. No. 184850, October 20, 2010, citing *New City Builders, Inc. v. National Labor Relations Commission*, G.R. No. 149281, June 15, 2005 and other related cases.

14 See Annex "A" of the attached petitioner's Manifestation.

Decision

the ruling in that case, the products covered by petitioner's application and respondent's registration are unrelated. Thus, petitioner's registration of the trademark KOLIN is not precluded.

The Supreme Court in the case of *Taiwan Kolin Corp., Ltd. v. Kolin Electronics Co., Inc.*¹⁵, settled the issue on the registrability of Taiwan Kolin's trademark "KOLIN" in this wise:

To bolster its opposition against petitioner's application to register trademark "KOLIN," respondent maintains that the element of mark identity argues against approval of such application, quoting the BLA IPO's ruling in this regard:

Indubitably, Respondent-Applicant's [herein petitioner] mark is identical to the registered mark of herein Opposer [herein respondent] and the identical mark is used on goods belonging to Class 9 to which Opposer's goods are also classified. On this point alone, Respondent-Applicant's application should already be denied.

The argument is specious.

The parties admit that their respective sets of goods belong to Class 9 of the NCL, which includes the following:

Class 9

Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus.

But mere uniformity in categorization, by itself, does not automatically preclude the registration of what appears to be an identical mark, if that be the case. In fact, this Court, in a long line of cases, has held that such circumstance does not necessarily result in any trademark infringement. The survey of

¹⁵ G.R. No. 209843, March 25, 2015.

Decision

jurisprudence cited in *Mighty Corporation v. E. & J Gallo Winery*¹⁶ is enlightening on this point:

(a) in *Acoje Mining Co., Inc. vs. Director of Patents*¹⁷, we ordered the approval of Acoje Mining's application for registration of the trademark LOTUS for its soy sauce even though Philippine Refining Company had prior registration and use of such identical mark for its edible oil which, like soy sauce, also belonged to Class 47;

(b) in *Philippine Refining Co., Inc. vs. Ng Sam and Director of Patents*¹⁸, we upheld the Patent Director's registration of the same trademark CAMIA for Ng Sam's ham under Class 47, despite Philippine Refining Company's prior trademark registration and actual use of such mark on its lard, butter, cooking oil (all of which belonged to Class 47), abrasive detergents, polishing materials and soaps;

(c) in *Hickok Manufacturing Co., Inc. vs. Court of Appeals and Santos Lim Bun Liong*¹⁹, we dismissed Hickok's petition to cancel private respondent's HICKOK trademark registration for its Marikina shoes as against petitioner's earlier registration of the same trademark for handkerchiefs, briefs, belts and wallets.

Verily, whether or not the products covered by the trademark sought to be registered by Taiwan Kolin, on the one hand, and those covered by the prior issued certificate of registration in favor of Kolin Electronics, on the other, fall under the same categories in the NCL is not the sole and decisive factor in determining a possible violation of Kolin Electronics' intellectual property right should petitioner's application be granted. It is hornbook doctrine, as held in the above-cited cases, that emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics. The mere fact that one person has adopted and used a trademark on his goods would not, without more, prevent the adoption and use of the same trademark by others on unrelated articles of a different kind.

xxx

xxx

xxx

**The products covered by
petitioner's application and**

16 G.R. No. 154342, July 14, 2004, 434 SCRA 473, 505.

17 No. L-28744, April 29, 1971, 38 SCRA 480.

18 No. L-26676, July 30, 1982, 115 SCRA 472.

19 No. L-44707, August 31, 1982, 116 SCRA 388.

**respondent's registration are
unrelated**

A certificate of trademark registration confers upon the trademark owner the exclusive right to sue those who have adopted a similar mark not only in connection with the goods or services specified in the certificate, but also with those that are related thereto.

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 a 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 9 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:

- a. Taiwan Kolin's goods are classified as home appliances as opposed to Kolin Electronics' goods which are power supply and

Decision

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


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 a 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 9 can be sub-categorized 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 audiovisual 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.

Prescinding from the foregoing, we find that petitioner's Application Serial No. 42002-0011003 for goods falling under Class 35 of the Nice Classification of Goods, for the business of manufacturing, importing, assembling, selling products as air conditioning units, television sets, audio/video electronic equipment, refrigerators, electric fans and other electronic equipment or product of similar nature should be given due course.

We reiterate that whether or not the products covered by the trademark sought to be registered by petitioner on the one hand, and those covered by the prior issued certificate of registration in favor of respondent, on the other, fall under the same Nice



Classification categories is not the sole and decisive factor in determining a possible violation of the latter's intellectual property right, should petitioner's application be granted. It is hornbook doctrine that emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics. The mere fact that one person has adopted and used a trademark on his goods would not, without more, prevent the adoption and use of the same trademark by others on unrelated articles of a different kind.²⁰

In this case, credence is accorded to petitioner's assertions that:²¹

- a. [Petitioner's] goods are classified as home appliances as opposed to [respondent's] goods which are power supply and audio equipment accessories;
- b. The home appliances of [petitioner] perform distinct function and purpose from [respondent's] power supply and electronic equipment and accessories;
- c. [Petitioner] sells and distributes its various home appliance products 'on wholesale' and to accredited dealers, xxx [whereas respondent's] goods are sold and flow through electrical and hardware stores.

In fine, the policy granting factual findings of courts, or in this case quasi-judicial agencies, great respect, if not finality, is not binding where they have overlooked, misunderstood, or misapplied some fact or circumstance of weight and substance²². So it must be here; the nature of the products involved materially, affects the outcome of the instant case. A reversal of the IPO Decision then, is in order.

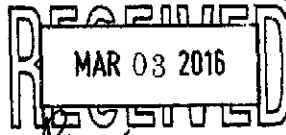
WHEREFORE, the petition is **GRANTED**. The Decision dated September 12, 2013 of the Office of the Director General of the Intellectual Property Office of the Philippines, affirming the decision

²⁰ See *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics Co., Inc.*, G.R. No. 209843, March 25, 2015 citing *Hickok Manufacturing Co., Inc. v. Court of Appeals and Santos Lim Bun Liang*, No. L-44707, August 31, 1982.

²¹ Rollo, pp. 19-20 (Vol. I).

²² See *People v. Vergara*, G.R. No. 177763, July 3, 2013, citing *People v. Clores*, 263 Phil. 585, 591.

✓



CA-G.R. SP No. 131918
Decision

BY: [Signature] TIME: _____

of the Director of the Bureau of Legal Affairs of the IPO, is **REVERSED** and **SET ASIDE**. A new judgment is rendered **GIVING DUE COURSE** to petitioner's Trademark Application No. 42002-0011003.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for their information, guidance, and records purposes.

SO ORDERED.

ORIGINAL SIGNED
MA. LUISA C. QUIJANO-PADILLA
Associate Justice

WE CONCUR:

ORIGINAL SIGNED
NORMANDIE B. PIZARRO
Associate Justice

ORIGINAL SIGNED
SAMUEL H. GAERLAN
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

CERTIFIED TRUE COPY

[Signature]
ABIGAIL S. DOMINGO-LAYLA
Division Clerk of Court

ORIGINAL SIGNED
NORMANDIE B. PIZARRO
Chairperson, Thirteenth Division