DENYO KABUSHIKI KAISHA, also trading as DENYO CO., LTD., Opposer, **-versus-** **SUPER TRADE MACHINERIES GLOBAL, INC.,** Respondent- Applicant.	}	**IPC No. 14-2011-00199** Opposition to: Appln. Serial No. 4-2010-006327 Date Filed: 15 June 2010 **TM: "KENYO AND LOGO"**

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 133 dated May 03, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 03, 2016.

For the Director:

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

DENYO KABUSHIKI KAISHA, also TRADING AS DENYO CO. LTD.,
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SUPER TRADE MACHINERIES GLOBAL INC.,
Respondent-Applicant.
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IPC NO. 14-2011-00199

Opposition to:
Appln. Ser. No. 4-2010-006327
Date Filed: 15 June 2010
Trademark: **KENYO AND LOGO**

Decision No. 2016 - 133

DECISION

DENYO KABUSHIKI KAISHA, also trading as DENYO CO. LTD.[1] ("Opposer") filed a Verified Notice of Opposition to Trademark Application Serial No. 4-2010-006327. The application filed by SUPER TRADE MACHINERIES GLOBAL, INC.[2] ("Respondent-Applicant") covers the mark KENYO AND LOGO for use on *"generator and alternator"* under Class 07 of the International Classification of goods[3].

The Opposer alleges the registration of "KENYO AND LOGO" mark is prohibited by Section 123.1 (d) of the IP Code as the "KENYO AND LOGO" mark is confusingly similar to its mark 'DENYO' which was adopted, used, and registered prior to the filing of Respondent-Applicant's trademark application and cover the same goods. Opposer also claims that its mark "DENYO" is an internationally and locally well-known mark and that the use and registration of the "KENYO AND LOGO" will prejudice Opposer's interest and goodwill in the "DENYO" mark.

To support its opposition, Opposer submitted the following as evidence:

1. Exhibit "A" - certified true copy of the Certificate of Renewal of Registration No. 34593 for the mark DENYO;
2. Exhibit "B" - printout of Respondent-Applicant's trademark KENYO AND LOGO;
3. Exhibit "C" - duplicate original of Opposer's 5th Anniversary Declaration of Actual Use filed on 06 April 2011.
4. Exhibit "D" and sub-markings - Affidavit of David Tan;
5. Exhibit "E" - samples of advertising and promotional materials used by Kilton Motors Corporation;
6. Exhibit "F" - detailed account of the actual exports to the Philippines of Opposer's Singapore Subsidiary, United Machinery Service Pte. Ltd.;
7. Exhibit "G" - tables showing Opposer's sales figures for products exported to the Philippines;
8. Exhibit "H" - Opposer's company profile;
9. Exhibit "I" - Opposer's company brochure entitled "Building the Future";

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[1] *A corporation duly organized and existing under the laws of Japan with address at 2-8-5, Nihonbashi-Horidomecho, Chou-Ku, Tokyo*
[2] *A domestic corporation with address at 941 E. Delos Santos Avenue ,Quezon City.*
[3] *The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.*

10. Exhibit "J" - Opposer's company brochure entitled "Making a Difference";
11. Exhibit "K" - list of Opposer's trademark registrations;
12. Exhibits "L" to "L-10" - representative samples of Opposer's trademark registration issued by the European Union, Benelux, Singapore, Australia, U.S.A., Canada, Hong Kong, Japan, Peru, South Africa and Malaysia;
13. Exhibit "M" to "M-1" - Japan's AIPPI published book entitled "Famous Trademarks in Japan;
14. Exhibit "N" - Opposer's worldwide Net Sales from 1997-2010;
15. Exhibit "O" and sub-marking - Opposer's Annual Report for 2007;
16. Exhibit "O-2" - Japan 's Engine Association's publication with English translation;
17. Exhibits "P" to "P-6" - Opposer's promotional materials;
18. Exhibits "Q" and "Q-1" - pictures of Opposer's generators;
19. Exhibits "R" and "R-1" - pamphlets/brochures from Respondent-Applicant; and
20. Exhibit "S" - printout of Respondent-Applicant's website;

On 10 June 2011, this Bureau issued a Notice to Answer and personally served a copy thereof to the Respondent-Applicant on 21 June 2011. On 19 August 2011, Respondent filed its Verified Answer asseverating that Opposer's and its mark are not confusingly similar. According to Respondent-Applicant, the addition of the logo and the claimed color red, which is forms part of the dominant feature of its mark, detaches its mark from that of Opposer's as to preclude any possibility of confusion between the two marks. Respondent-Applicant also argues that contrary to Opposer's claim that the appearance of the goods is identical is misleading, its generator is basically similar among all generators in the market.

Respondent-Applicant's evidence consists of the following:

1. Exhibit "1" - Secretary's Certificate;
2. Exhibit "2" - picture of the facade of Respondent-Applicant's generator;
3. Exhibit "3" - Respondent-Applicant's trademark application;
4. Exhibit "4" - Opposer's Denyo Brochure;
5. Exhibit "5" - copy of Airman Generators Brochure;
6. Exhibit "6" - copy of Kubota Generator Brochure;
7. Exhibit "7" - copy of Seemark Generator Brochure;
8. Exhibit "8" - photograph of Nissha generator;
9. Exhibit "9" - photograph of Airman generator with Respondent-Applicant's generator;
10. Exhibit "10" - brochure of Opposer's diesel generators;
11. Exhibit "11" - photograph of Respondent-Applicant's generators;
12. Exhibit "12" - photograph of Respondent-Applicant's generator indicating that it uses Cummins engines and Stamford alternators;
13. Exhibit "13" - photograph of the instructional manual for Cummins engines and Stamford alternators; and
14. Exhibit "14" - photograph of Respondent-Applicant's price list of its diesel generators.

On 23 August 2011, Opposer filed a Manifestation. Respondent-Applicant filed a Counter-Manifestation on 26 August 2011. A Reply was filed on 05 September 2011. Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation. On 01 January 2012, the Bureau's ADR Services submitted a report that the parties failed to settle their dispute. After the preliminary conference was terminated, the parties were directed to submit position papers. On 09 March 2012, Opposer and Respondent-Applicant filed their respective Position Papers.

Should the Respondent-Applicant be allowed to register its mark **KENYO AND LOGO**?

Opposer anchors its opposition on Section 123.1 (d) of the 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 or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

For a better appreciation of the competing marks, they are reproduced hereunder:

Opposer's Mark

Respondent-Applicant's Mark

A perusal of the records of this case will show that at the time Respondent-Applicant filed its application for registration of its mark KENYO AND LOGO on 15 June 2010, Opposer already has an existing registration for the mark DENYO issued in 18 July 1985 or almost 30 years ago, for classes 7, 9 and 12. Respondent-Applicant's mark is used in *generator and alternator* which is also covered by the Opposer's goods. A scrutiny of the competing marks would show their striking similarity. Opposer's mark consists of the letters D-E-N-Y-O while Respondent-Applicant's mark consists of the letters K-E-N-Y-O. The capital "D" in Opposer's mark was replaced by the capital letter "K" in Respondent-Applicant's KENYO mark. Both marks begin with a capital letter while the rest are in small letters. Both marks also used similar-looking font and are italicized. While some differences can be perceived, such as the thickness of the letters used; the color of the letters: black for Opposer's and red for Respondent-Applicant's; and the presence of the logo which is a "*stylized horizontal "S" superimposed on a circle*" in Respondent-Applicant's mark, such differences is very trivial.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other[4]. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article[5].

Respondent-Applicant as a player in the business of selling generator and alternator in the Philippine market is deemed to be familiar with its competitors in the same business. It should have known that Opposer, an old player in the said business, have been engaged in distributing and selling generators, alternators and various engines with a mark DENYO. Yet, despite such presumed knowledge of Opposer's mark DENYO, Respondent-Applicant still has to imitate

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[4] *Societe Des Produits Nestle, S.A v. Court of Appeals, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.*
[5] *Emerald Garment Manufacturing Corp. v. Court of Appeals. G.R. No. 100098, 29 Dec. 1995.*

Opposer's mark by coming up with a similar mark by just replacing the first letter and adding a logo. A boundless choice of words or phrases is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive.[6]

Moreover, trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. Similarity of sound is sufficient ground to rule that two marks are confusingly similar when applied to merchandise of same descriptive properties. When the competing marks are pronounced the sound effects are confusingly similar. In fact, the Supreme Court has in many cases took into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. In Marvex Commercial Co., Inc. v Petra Hawpia & Co., et al.[7], the Court held:

> 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 "Jass-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 "Trade-Mark Law and Practice," pp. 419-421, cities [sic], 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 "Condura" 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.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.[8]

WHEREFORE, premises considered, the instant opposition is hereby ***SUSTAINED***. Let the filewrapper of Trademark Application Serial No. 4-2010-006327, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 03 MAY 2016

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

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[6] *Converse Rubber Corporation vs. Universal Rubber Products, Inc., G.R. No. L-27906. January 8, 1987.*

[7] G.R. No. L-19297. December 22, 1966 *cited in McDonald's Corporation v. L.C. Big Mak Burger, Inc, G.R. No. 143993. August 18, 2004.*

[8] *See Decision in Appeal No. 14-2010-0013 dated 11 June 2012.*