

**NIPPON STEEL & SUMITOMO METAL
CORPORATION,**

Opposer,

-versus-

HUAIMENG ZHENG,

Respondent- Applicant.

X-----X

IPC No. 14-2014-00248

Opposition to:

Appln. Serial No. 4-2013-012728

Date Filed : 23 October 2013

TM: "SUMITO"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 215 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 30, 2016.

For the Director:

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
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Application No. 4-2013-012728

Date Filed: 23 October 2013

Trademark: SUMITO

Decision No. 2016- 215

DECISION

NIPPON STEEL & SUMITOMO METAL CORPORATION¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-012728. The application, filed by Huaimeng Zheng² ("Respondent-Applicant"), covers the mark "SUMITO" for use on "tires, tubes" under Class 12 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"LEGAL GROUNDS FOR THE OPPOSITION"

"9. The mark SUMITO being applied for by respondent-applicant is confusingly similar to Opposer's trademark SUMITOMO, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"10. The registration of the trademark SUMITO in the name of the respondent-applicant will violate Section 123.1, subparagraph (d) of the Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code), to wit:

x x x

"11. The registration and use by respondent-applicant of the mark SUMITO will diminish the distinctiveness and dilute the goodwill of opposer's well-known trademark SUMITOMO.

¹A corporation duly organized and existing under and by virtue of the laws of Japan with business address at 6-1 Marunouchi 2-Chome, Chiyoda-Ku Tokyo, Japan. 7c

²With address at Unit-205, Angsco Mansion, #63 M.H. Del Pilar St., 6th Avenue, Caloocan City, Metro Manila, Philippines.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

"12. The registration of the trademark SUMITO in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines.

"13. In the Philippines, Opposer has a prior trademark registration for SUMITOMO, the particulars of which are as follows:

x x x

"14. Opposer and the Sumitomo Group Companies are also the owner/registrant/applicant in many trademark registrations and/or applications of the trademark SUMITOMO under International Class 12 among other classes of goods.

"15. Opposer's mark SUMITOMO covering goods under International Class 12 was applied for registration as early as February 10, 2009, and was registered as early as March 18, 2010, long before respondent-applicant's application for registration of the confusingly similar mark SUMITO on October 23, 2013 for similar, related and competing goods under the same International Class 12. Hence, opposer's registration for SUMITOMO will bar the registration of respondent-applicant's identical mark.

"16. In the Philippines, the local distributor of Sumitomo products is based in Davao City, Philippines. Downloaded pages from the local distributor's website showing the mark SUMITOMO is hereto attached as Exhibits 'I', 'J,' and 'K' and made integral parts hereof.

"17. Opposer has also caused the extensive promotion, advertising, sale and marketing of its products bearing the mark SUMITOMO in the Philippines and in other various countries. Copies of opposer's brochures and/or promotional materials which can be accessed through the following websites: x x x

"18. Opposer likewise maintains the comprehensive website portals on the Internet where the online community in general can access details of its goods and services with just a mouse-click. The main portals are x x x

"19. By virtue of opposer's prior registration and use of the trademark SUMITOMO in the Philippines, said trademark has become distinctive of opposer's goods and business. Hence, opposer's registration for SUMITOMO will bar the registration of respondent-applicant's confusingly similar mark.

"20. The mark SUMITO of the respondent-applicant is confusingly similar with the mark SUMITOMO owned by Opposer Nippon Steel & Sumitomo Metal Corporation. SUMITOMO on the one hand and the published mark SUMITO on the other owned by respondent-applicant are confusingly similar. They consist of exactly the same letters arranged in exactly the same sequence. Under the Dominancy Test, which focuses on the similarity of the prevalent features of the competing trademarks, if the competing trademark contains the main or essential or dominant features of another, confusion and deception is likely to result x x x

"21. The published mark, SUMITO is also nearly identical, phonetically to Opposer's trademark SUMITOMO. The first three syllables, SU-MI-TO of the Opposer's mark and the published mark are the same. There is hardly any difference in their sound and pronunciation. Applying the test of 'idem sonans', the said syllables in the published mark is similar aurally to that of Opposer's mark; hence the likelihood on confusion xxx

"22. Because the letters, syllables and the sequence of the letters and syllables are practically the same, the published mark SUMITO and Opposer's mark SUMITOMO 'look' alike. Furthermore, both marks are word marks. Hence, the marks are confusingly similar with each other in terms of over-all appearance.

"23. Indubitably, opposer's and respondent-applicant's marks are confusingly similar. x x x

"24. Moreover, it is settled jurisprudence that identity or similarity in the dominant features of two (2) competing marks will cause mistake of confusion in the minds of the purchasing public. x x x

"25. It has also been held in the case of Phil. Nut Industry, Inc. vs. Standard Brands, Inc. x x x

"26. Respondent-applicant's trademark application for SUMITO covers 'tires, tubes' while Opposer's SUMITOMO covers similar products namely, 'flanges for railway wheel tires [tyres]; gear boxes for land vehicles, et al.,' both in Class 12.

"27. In the case of Esso Standard Eastern, Inc. vs. Court of Appeals, et al. xxx

"28. Evidently, both set of goods are closely-related and fall under the same international Class 12. The confusion between goods bearing the respective confusingly similar words SUMITO and SUMITOMO is more likely and pronounced.

"29. Both goods therefore are sold in the same channels of business and trade. Hence, the potential confusion on the consuming public is greater. In view of the similarity of the covered goods, the purchasing public will most likely be deceived to purchase the goods of respondent-applicant labeled SUMITO in the belief that they are purchasing Opposer's products bearing the label SUMITOMO. This will thus result to damage to the public and to Opposer's business and goodwill over its products bearing the mark SUMITOMO.

"30. A boundless choice of words, phrases and symbols is available to a person who wishes to have a trademark sufficient unto itself to distinguish its products from those of others. There is no reasonable explanation therefore for respondent-applicant to use the mark SUMITO when the field for its selection is so broad.

"31. In the case of American Wire & Cable Co. vs. Director of Patents x x x

"32. Moreover, it has been held in many other cases, like the foregoing, that:

"33. Indubitably, the registration and use of the trademark SUMITO by respondent-applicant will deceive and/or confuse purchasers into believing that respondent-applicant's goods and/or products bearing the trademark SUMITO emanate from or are under the sponsorship of opposer Nippon Steel & Sumitomo Metal Corporation, the rightful owner of the registered trademark SUMITOMO. The registration and use of the mark SUMITO by respondent-applicant will therefore diminish the distinctiveness and dilute the goodwill of opposer's trademark SUMITOMO.

"34. In view of the foregoing, opposer's mark SUMITOMO which is legally protected under Philippine law bars the registration in the Philippines of the confusingly similar mark SUMITO of respondent-applicant Huaimeng Zheng.

The Opposer's evidence consists of a copy of Trademark Registration No. 4-2009-001415 for SUMITOMO; a copy of Trademark Registration No. 4-2011-010652 for NIPPON STEEL & SUMITOMO METAL CORPORATION; a copy of Trademark Registration No. 4-2011-010653 for NIPPON STEEL & SUMITOMO METAL CORPORATION; a copy of Trademark Registration No. 4-2010-009949 for SUMITOMO; a copy of Trademark Registration No. 4-2008-009527 for SUMITOMO; a copy of Trademark Registration No. 4-1995-102448 for SUMITOMO; a copy of Trademark Registration No. 4-1997-126274 for SUMITOMO; a copy of Trademark Registration No. 4-1995-104692 for SUMITOMO; downloaded pages from the local distributor's website showing the mark SUMITOMO; copy of Opposer's brochures for the mark SUMITOMO; copy of Opposer's Promotional materials and Management Plans for the mark SUMITOMO; printout of the website <http://www.nssmc.com/en/index/html>; printout of the website <http://www.srigroup.co.jp/English/index/html>; a copy of Commercial Register dated 10 July 2014 showing that Kinya Yanagawa is the Representative Director and Executive Vice-President of Nippon Steel & Sumitomo Metal Corporation; and Affidavit-Testimony of witness Kinya Yanagawa dated 19 July 2014.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 24 June 2015. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark SUMITO?

Sec. 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 123. Registrability. – 123.1. A mark cannot be registered if it:

x x x

(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;"

Records show that at the time the Respondent-Applicant filed its trademark application on 23 October 2013 for the mark "SUMITO", the Opposer already owns

⁴Marked as Exhibits "A" to "Q".

trademark registrations for the marks "SUMITOMO" and "NIPPON STEEL & SUMITOMO METAL CORPORATION" for different classes including Class 12. Opposer's registration for the mark SUMITO under Trademark Registration No. 4-2008-009627 covers "tires for land vehicles; tires for two-wheeled motor vehicles" under Class 12. This Bureau noticed that the goods covered by Respondent-Applicant's trademark application for the mark SUMITO are similar or closely-related to the Opposer's.

A comparison of the competing marks reproduced below:

SUMITOMO

SUMITO

Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur. Respondent-Applicant's mark SUMITO adopted the dominant features of Opposer's mark consisting of the letters "SUMITO". SUMITO appears and sounds almost the same as Opposer's trademark SUMITOMO. Both SUMITOMO and SUMITO marks have the letters SUMITO. Respondent-Applicant merely deleted the letters M and O or the last syllable MO of Opposer's SUMITOMO to come up with the mark SUMITO. Likewise, the competing marks are used on similar and/or closely related goods, particularly, tires. Thus, 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 on 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.⁵

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

⁵ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

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 article as his product.⁶

Also, Opposer has been using SUMITOMO not only as a trademark but also as part of Opposer's trade name or business name, NIPPON STEEL & SUMITOMO METAL CORPORATION. As a trade name, SUMITOMO is protected under Section 165 of the IP Code.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁷


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.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-012728 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, 30 JUN 2016.


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

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).

⁷ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.