

**SUMITOMO RUBBER
INDUSTRIES, LTD.,**

Opposer,

-versus-

HUAIMENG ZHENG,

Respondent- Applicant.

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IPC No. 14-2014-00233

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 - 225 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 01, 2016.

For the Director:


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

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Application No. 4-2013-012728

Date Filed: 23 October 2013

Trademark: SUMITO

Decision No. 2016- 225

DECISION

SUMITOMO RUBBER INDUSTRIES, LTD.¹ ("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

"Discussions:

"28. SUMITO is confusingly similar to Opposer's SUMITOMO. Both have the same letters, except that SUMITO does not carry the suffix-MO.

"29. There being a predominant similarity in letters, both marks therefore come out as visually and aurally similar. This translates to confusing similarity under the law.

"30. To illustrate, confusing similarity under Sec. 123.1 (d) (ii) of the IP Code is defined as applying the Dominancy Test, as ruled ruling in McDonald's Corporation and McGeorge Food, Industries, Inc. vs. L.C. Big Mak Burger, Inc., et al.:

x x x

"31. In Great White Shark Enterprises, Inc. vs. Danilo M. Caralde, Jr., a re-statement of the definition of the test was given, and it involves visual and aural similarity in the dominant features, thus:

x x x

¹A corporation duly organized and existing under and by virtue of the laws of Japan with principal office address at 6-9, 3-chome, Wakinhama-cho, Chuo-ku, Kobe-shi, Hyogo, Japan.

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.

"32. Under this test, slight differences will be deemed as of no consequence, such as when there is a difference in a few letters, because such will be a mere miniscule variation overshadowed by the similarity in the predominant features, as held in McDonald's Corp. vs. MacJoy Fastfood Corp.:

x x x

"33. And such slight difference will be deemed irrelevant when the contending trademarks are used on the same goods. Thus, in Heirs of Crisanta Y. Gabriel-Almoradie vs. CA, et al., it was declared that it will be completely ignored, where the goods are also similar, because then there is confusion by the 'sheer weight' of the fact that the contending marks will be used on related goods.

"34. Applying the foregoing rules, the Supreme Court has declared the following contending trademarks as confusingly similar:

x x x

"35. In Marvex which is cited in Big Mak, the following contending marks were also cited as confusingly similar: GOLD DUST and GOLD DROP, CELLULOID and CELLONITE, CHARTREUSE and CHARSEURS, CUTEX and CUTICLEAN, and STEINWAY PIANOS and STEINBERG PIANOS.

"36. The rulings of this Hon. Bureau hew closely to this principle. Thus:

x x x

"37. And this is the same principle followed in the US. Jurisprudence there has found the following marks as confusingly similar: VEEP and BEEP, BELLOWS and FELLOWS, COMSAT and COMSET, and BELL and DELL.

"38. And this is the same principle that should be followed with respect to SUMITO and SUMITOMO.

"39. If FREEDOM and FREEMAN, LIONPAS and SALONPAS, FLORMANN and FLORMEN, and SAPOLIN and LUSOLIN, were found confusingly similar, there is no reason that SUMITO and SUMITOMO should not be declared as confusingly similar.

"40. The difference in the suffix-MO must be considered irrelevant because goods covered by SUMITO and SUMITOMO are both under Class 12, following jurisprudence in Heirs of Crisanta Y. Gabriel-Almoradie vs. CA, et al.

"41. Because SUMITO is confusingly similar to SUMITOMO, it must be denied registration in deference to the fact that SUMITOMO is already a registered mark.

"42. The law is clear that a mark will not be registered if it nearly resembles a mark that is already registered by another. Thus, Section 123 of the IP Code provides:

x x x

"43. And Section 147.1 affirms the protection given to a registered mark, whereby the registrant is given the exclusive right over what it has registered, thus:

x x x

"44. Section 123.1 (f) in relation to (e) of the IP Code provides protection to well-known marks.

"45. In the case of Sehwan, Inc. and/or Benita's Frites, Inc., the facts that justified a well-known declaration are as follows:

x x x

"46. SUMITOMO is obviously well-known also because of its numerous trademark registrations all over the world, and its extensive and high-profile promotion in various important magazines and publications. It has received awards and accolades, thus indicating the high degree of its reputation.

"47. As pointed out, Respondent-Applicant bears a Chinese name, HUAIMENG ZHENG. The trademark he chose is the Japanese-sounding SUMITO.

"48. It is settled that if the claimant of a mark has a name which has no connection whatsoever with the mark as to merit his coinage, the inference is that he merely copied it from another. As held in McDonald's Corp. vs. MacJoy Fastfood Corp.:

x x x

"49. This doctrine applies squarely in the instant case. HUAIMENG ZHENG is a name that bears no connection to association with SUMITO as to merit his coinage of this mark.

"50. The only logical conclusion for this choice is that HUAIMENG ZHENG can ride on the established reputation and goodwill of SUMITOMO.

"51. As such, the instant application is filed in bad faith and must therefore be denied. The IP Code is clear in Section 168.1 that SUMITOMO should be protected because one 'who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a registered mark is employed, has a property right in the goodwill of the said goods, business or services as identified, which will be protected in the same manner as other property rights.'

"52. The Civil Code of the Philippines identifies goodwill of a business as property. And the protection of goodwill involving intellectual property is enshrined in the IP Code in the following words:

x x x

"53. Goodwill involving intellectual property is acquired by a trademark through continued use, quality of goods or services, and ingenuity of the business. As held in Dela Rama Steamship Co. vs. National Dev. Co.:

x x x

"54. And goodwill of intellectual property is proven by evidence of continuous use, promotions and advertising, as confirmed in Levi Strauss (Phils.), Inc. vs. Vogue Traders Clothing Company, thus:

x x x

"55. Under the law, a person will be deemed to be riding on the goodwill of a trademark belonging to another if he comes out with a colorable imitation of the trademark, as taught in Levi's, thus:

x x x

"56. Applying the foregoing rules, it is undeniable that in the instant case, the goodwill of SUMITOMO is amply proven by Opposer's evidence of extensive use of SUMITOMO both as a mark and trade name, on products world-wide, extensive promotions and advertisement including in the internet which allows viral spread of information all over the planet.

"57. This has resulted to Opposer's awards and accolades in the relevant industry.

"58. Respondent-Applicant thus should be deemed as riding on this goodwill by coming out with a very similar mark SUMITO for use on the same class of goods as Opposer's.

"59. It is apt to state that Respondent-Applicant has a boundless choice of words to identify its goods from those of the Opposer, and therefore, its decision to instead come out with SUMITO, which is a mutilation of SUMITOMO, can only mean that its intent is for no good purpose, which is to ride on the coattails of the successful SUMITOMO line of products.

"60. As defined in Levi Strauss vs. Clinton, Trademark Dilution pertains to the lessening of capacity of a mark to identify the goods it is used on, because another mark has copied it, thus:

x x x

"61. And the elements of Trademark Dilution are, as laid down in Levi's, as follows:

x x x

"62. The act of dilution is committed simply by the 'use' by one of a mark belonging to another that has acquired fame. That is, mere copying of a registered famous trademark constitutes dilution, because such copying whittles away, or disperses, the fame and distinctiveness of the famous mark, or misleads the buyer into thinking that the owner of the famous mark has expanded to another business, as expounded in the following important jurisprudence:

x x x

"63. Without doubt, Respondent-Applicant's adoption of the word SUMITO as a trademark for Class 12 goods is an act of Trademark Dilution directed at SUMITOMO, also for Class 12, because there is a copying of the entire SUMITO-feature of SUMITOMO.

"64. And such copying renders SUMITO as though poking fun at SUMITOMO by tweaking with the spelling, and coming out with one that closely resembles it, such as SUMITO. SUMITO could well be a local spoof of SUMITOMO for tires.

"65. As a result, SUMITO succeeds in blurring and tarnishing the image and persona of the well-known SUMITOMO.

"66. There is no question that SUMITOMO is Opposer's very corporate name and trade name. It has used this name since its inception as a corporation. This alone

should sufficiently bar the registration of Respondent-Applicant application as a trademark for its goods in Class 12.

"67. Section 165 of the IP Code is very clear that a trade name such, as a corporate name, belonging to one, cannot be registered as a trademark by another, whether or not the trade name is registered. Thus:

x x x

"68. This prohibition is based on treaty, namely, Article 6sexies and 8 of the Paris Convention, and as a result, protection of trade name is automatic, i.e., without need of prior registration of the name. Thus, as held in Fredco Manufacturing Corporation vs. President Fellows of Harvard College (Harvard University):

x x x

"69. Indeed, it is settled jurisprudence that foreign corporations, such as Opposer herein and Harvard University in the Fredco case, are particularly entitled to the protection of this prohibition. Thus, in the early case of General Garments Corporation vs. The Director of Patents and Puritan Sportswear, it was held that:

x x x

"70. Similarly, in Western Equipment and Supply Co. v. Reyes and Red Line Transportation Co. v. Rural Transit Co., it was uniformly held as follows:

x x x

"71. In Western, it was particularly ruled as follows:

x x x

"72. This basic doctrine is reiterated in recent years, particularly in Philips Export B.V. et al., vs. Court of Appeals, et al.

"73. There is thus no quibbling about the application of this prohibition in the case at hand. SUMITOMO is the trade name, more accurately, the corporate name, of Opposer, and hence, Respondent-Applicant is barred from filing a trademark registration for the confusingly similar SUMITO.

The Opposer's evidence consists of the Affidavit executed by Masahiro Hanya, General Manager of the Intellectual Property Department of Sumitomo Rubber Industries, Ltd.; copy of the Articles of Incorporation and/or relevant extract from the registry of companies proving the corporate existence and name of Opposer; printout of Opposer's official website found at <http://www.srigroup.co.jp/english> including its 2011 and 2012 Annual Reports; Opposer's 2011 Annual Report; Opposer's 2012 Annual Report; the list of trademark registrations for SUMITOMO registered in numerous countries worldwide; copies of certificates of registrations of the mark SUMITOMO issued in different countries worldwide together with the corresponding English translations; printout of the trademark database of Sumitomo showing all trademark registrations and applications for SUMITOMO in various jurisdictions worldwide; examples of advertising and promotional materials released and used by Sumitomo in various countries including the Philippines; the affidavit of Jan Abigail Ponce, associate attorney of Federis & Associates Law Offices, Opposer's counsel; Special Power of

Attorney with Certification of Authority issued by Opposer; Director's Certificate executed by Ikuji Ikeda, President & CEO of Sumitomo Rubber Industries, Ltd.; copy of the Certificate of Registration NO. 4-2008-009627 for SUMITIOMO issued in the Philippines; and copy of the Certificate of Registration No. 4-2010-009949.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 05 November 2014. 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 trademark registrations for the mark "SUMITOMO" 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

⁴Marked as Exhibits "A" to "K", inclusive.

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 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, SUMITOMO RUBBER INDUSTRIES, LTD. 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

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

⁶ *Prihadas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa 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.

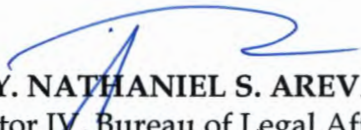
The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign 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