

OZAKI WORLDWIDE LIMITED,
Opposer,

-versus-

H & K TELECOM TECHNOLOGY CORP.,
Respondent-Applicant.

X-----X

}	IPC No. 14-2011-00378
}	Opposition to:
}	
}	Appln. Serial No. 4-2011-002087
}	Date Filed: 25 February 2011
}	
}	
}	TM: OZAKI

NOTICE OF DECISION

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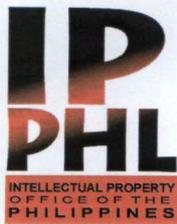
GREETINGS:

Please be informed that Decision No. 2016 - 528 dated 23 December 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 06 January 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



OZAKI WORLDWIDE LIMITED, }
 Opposer, }
 -versus- }
 H & K TELECOM TECHNOLOGY CORP., }
 Respondent-Applicant. }

x-----x

IPC No. 14-2011-00378

Opposition to:
 Application No. 4-2011-002087
 Date Filed: 25 February 2011
 Trademark: "OZAKI"

Decision No. 2016- 528

DECISION

OZAKI WORLDWIDE LIMITED¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-002087. The application, filed by H & K Telecom Technology Corp.² ("Respondent-Applicant"), covers the mark "OZAKI" for use on "cellular telephones (mobile phones) rechargeable batteries, cameras, video cameras, travel/car chargers, earphones, handsfree headsets, housings, crystal, silicon/or protective cases, telephones, cordless, wireless or satellite telephones, holders, desktop stands, microphones, speakers, headsets, secured digital memory cards, multi-media memory cards, usb flash drives, card readers" under Class 09 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"2. Oppositor is the owner of the trademark 'Ozaki and Design,' as shown below:

x x x

"3. Oppositor registered the trademark 'Ozaki and Design' in different countries, including but not limited to:

x x x

"4. Oppositor's trademark 'Ozaki and Design' covers speakers for computers; speakers for stereos; speakers for personal digital electronic devices; stereo housing; megaphones; megaphone housings; earphones; microphones; amplifier housings; stereo amplifiers; amplifiers for computer; electronic game software for handheld electronic devices; cell phones; cell phone cases; cell phone covers; protective covers and cases for cell phones, laptops and portable media players; computer bags; battery chargers; stands for personal digital electronic devices; electronic pens; light pens;

¹A corporation organized and existing under the laws of China, with office address at 8F-2, No. 6, Lane 609, Sec. 05 San Chung City, New Taipei, Taiwan.

²With address at 17-D Fortune Palace Building, 665 Juan Luna Street, Binondo Manila.

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.

electronic cables and wires; charge-coupled devices; digital video cameras and camcorders, among others.

"5. On the other hand, the mark 'Ozaki' applied for by H & K Telecom Technology Corporation ('H&K') is applied under Nice Classification 9- cellular telephones (mobile phones) rechargeable batteries, cameras, video cameras, trave/car chargers, earphones, handsfree headsets, housings, crystal, silicon/or protective cases, telephone, cordless, wireless or satellite telephones, holders, desktop stands, microphones, speakers, headsets, secured digital memory cards, multi-media memory cards, usb flash drives, card readers.

"6. Said mark is confusingly similar to Oppositor's internationally well-known mark. Thus, Oppositor will be damaged by the registration of the mark 'Ozaki' under H & K.

The Opposer's evidence consists of a copy of the Certification authorizing Bernas Law Offices or any of its attorneys, to file an application for the registration of the trademark "Ozaki an Design" and to opposer H&K's application for registration of the trademark "Ozaki and Head Device" before the Intellectual Property Office of the Philippines, for and on Oppositor's behalf; a copy of United States Serial No. 85162633 dated 27 October 2010; a copy of CTM Application No. 009933755 dated 05 February 2011 (Germany); a copy of Application Code C0317251C dated 25 March 2011 (Singapore); a copy of Trademark No. 301515 dated 29 June 2010 (HK); a copy of Trademark No. 1004386 dated 31 May 2004 (Australia); a copy of Certificate of Trademark Registration No. 713326 dated 03 June 2004 (New Zealand).⁴

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 28 November 2011. The Respondent-Applicant filed their Answer on 16 November 2012 and avers the following:

x x x

"V

"DISCUSSION

"5. The records show that applicant filed the trademark application as early as 21 February 2011.

"6. The Declaration of Actual Use attached herein show that the trademark has already been used in commerce by the applicant as early as 2006 in the Philippines, attached as Annex '1' /

"7. The applicant has also invested heavily in the advertisement and goodwill of the OZAKI trademark in the Philippines. Attached as 'Annex 2' is a flyer showing the use of the Ozaki Trademark.

⁴Marked as Annexes "A" to "G".

"8. The applicant is a reputable mobile phone reseller and is recognized by the National Telecommunications Commission as an authorized retailer. The goods sought to be registered by applicant falls under class 9 in the Philippines as well as international commerce. Attached as 'Annex 3', is a certification form the National Telecommunications Commission.

"10. In this regard, it is worthy to note that the law on trademark adheres to the doctrine of nationality or territoriality. Thus, the law requires that the adoption and use of a trademark, trade name or service mark must be in commerce in the Philippines and not abroad. The goods, business or services in connection with the mark or trade name is being used must be sold or carried on in trade in the Philippines. Moreover, the mere presentation of various certificates of registrations abroad is not sufficient to establish a claim of prior use over a trademark in the Philippines as the adoption of the mark must be in the Philippines and not abroad.

"11. It is a fundamental principle of Philippine Trademarks Law that actual use in commerce in the Philippines is a pre-requisite to the acquisition of ownership over a trademark or a trade name. x x x

"12. The scope of protection is determined by the law of the country in which protection is sought, and international agreements for the protection of industrial property are predicated upon the same principle. x x x

"13. Therefore, Petitioner's claim of priority of use over the mark 'OZAKI' will not automatically vest the Petitioner of prior use over said mark in the Philippines as the trademarks law requires prior commercial use in the Philippines and not abroad.

The Respondent-Applicant's evidence consists of a copy of the Declaration of Actual Uses filed on 16 November 2011; a copy of a flyer showing the use of the Ozaki trademark; and a copy of the Certification (Mobile Phone Retailer/Reseller's Permit) issued by the National Telecommunications Commission of the National Capital Region.⁵

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

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



⁵Marked as Annexes "1" to "3".

- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;”

A comparison of the competing marks reproduced below:



Opposer's trademark

OZAKI

Respondent-Applicant's mark

shows that the marks are obviously identical and used on similar and/or closely related goods in Class 09, particularly, speakers, cellphones, microphones, earphones, chargers, cameras, to name a few. Respondent-Applicant's mark copied the word and the font used by Opposer in printing the mark OZAKI. The fact that the Opposer's mark OZAKI is with a head device or consists of a young man's head with the word "OZAKI" showing thereon his round and puffy hair is of no moment; Opposer's other registration/s abroad such as its trademark registrations in Hong Kong, Australia and New Zealand contain the word mark OZAKI with no head device. 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.⁶

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

⁶ Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

manufacturer against substitution and sale of an inferior and different article as his product.⁷

The Respondent-Applicant's filing of their trademark application in the Philippines may be earlier than the Opposer's, but the latter raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

In this regard, this Bureau emphasizes that it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 16(1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code also states:

Sec. 122. How Marks are Acquired.- The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

⁷ *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).



Sec. 138. Certificates of Registration. – A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.⁸ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *E.Y. Industrial Sales, Inc., et al. v. Shen Dar Electricity and Machinery Co. Ltd.*⁹, the Supreme Court held:

x x x Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

x x x

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. x x x

In this instance, the Opposer proved that it is the originator and owner of the contested trademark. The Opposer, to support its allegation in the Verified Notice of Opposition, submitted documentary evidence (trademark registrations and applications in the United States, Germany, Singapore, Hong Kong, Australia and New Zealand) showing the mark's use since 1997 (United States) for goods in Class 09. It is incredible for the Respondent-Applicant to have come up with exactly the same and/or confusingly similar trademark for use on similar or closely-related goods, specifically speakers, cellphones, microphones, earphones, chargers, cameras, by pure coincidence.

⁸ See Sec. 236 of the IP Cod

⁹ G.R. No. 184850, 20 October 2010.

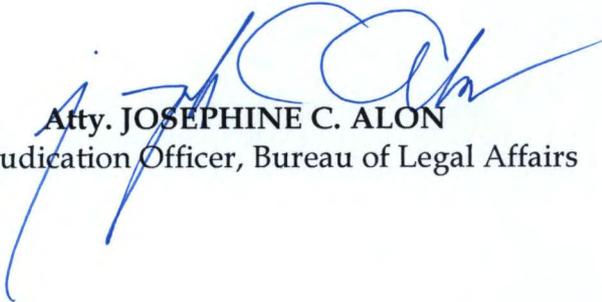
Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹⁰

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.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-002087 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, 23 DEC 2016.


Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs

¹⁰*American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.