



S.R. TYRES CO., LTD.,
Opposer,

-versus-

ENRIQUE HO WEE,
Respondent-Applicant.

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IPC No. 14-2016-00016
Opposition to:
Appln. Serial No. 4-2015-00503050
Date Filed: 04 June 2015

TM: SIXXIS

NOTICE OF DECISION

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ENRIQUE HO WEE
Respondent- Applicant
332 M.H. Del Pilar Street,
Grace Park, Caloocan City 1400

GREETINGS:

Please be informed that Decision No. 2016 - 508 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, 05 January 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

S.R.TYRES CO., LTD.,
Opposer,

-versus-

ENRIQUE HO WEE,
Respondent-Applicant.

X-----X } Decision No. 2016- 508

} **IPC NO. 14-2016-00016**

} Opposition to:

} Appln. Serial No. 4-2015-00503050

} Filing Date : 4 June 2015

} Trademark: **SIXXIS**

DECISION

S.R.TYRES CO., LTD. ("Opposer")¹ filed a Petition for Cancellation of Registration No. 4-2011-00503050. The application, filed by **ENRIQUE HO WEE** (Respondent-Applicant)², covers the mark "SIXXIS", for use on "tires and tubes for all types of motorcycles" under Class 12 of the International Classification of Goods³.

The Opposer relies on the following grounds to support its opposition:

"4.1. Opposer is the prior user in good faith and the true, lawful, and legitimate owner of the 'SIXXIS' mark that is used for goods in Class 12 which include motor vehicles and motorized vehicles used for locomotion in land, water, and air, namely cars, automobiles, trucks, motorcycles, ships, boats, sea vessels, planes, airplanes, aeroplanes, and helicopters; vehicle tires and tubes.

"4.2. Respondent-Applicant, being merely a local distributor of Opposer's products in the Philippines, cannot claim ownership of the 'SIXXIS' mark, thus is proscribed from registering the same with this Honorable Office."

The Opposer alleges, among other things, that:

"5.1. Opposer is the true owner and rightful proprietor of the 'SIXXIS' mark, having been the first to adopt and use such marks in connection with Opposer's goods under Class 12. It has operated its business for thirty (30) years and has long been manufacturing and producing vehicle tires and tubes for trailers, light trucks, motorcycles, and scooters, among others. xxx

¹ A corporation duly organized under the laws of Thailand with business address at 222 Moo 1, Suwinthawong Rd., Khokthai Sub district, Srimahosot District, Prachinburi 25190, Thailand.

² Address at 332 M.H. Del Pilar Street, Grace Park Caloocan City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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

- (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.

The Opposer submitted as evidence the following:

1. S.R. Tyres Co. Ltd. Invoice;
2. Company Profile of S.R. Tyres Co. Ltd.;
3. Picture of goods of Opposer;
4. Affidavit of Ms. Saowanee Ovathitsakul;
5. Copy of trademark registration of the mark "SIXXIS" obtained abroad;
6. Sample advertising and promotional materials of "SIXXIS";
7. Copy of letter signed by Enrique Roger Wee; Business card of Roger Ho Wee;
8. Print-out of e-mails between Opposer and Respondent-Applicant; Invoices of S.R. Tyres Co. Ltd.;
9. Copy of letter of Ms. Vena Wee to Opposer;
10. Copy of Letter of Confirmation from Centre Point Hotel; and
11. Pictures of Enrique Ho Wee with management of S.R. Tyres Co. Ltd; and
12. Opposer's trademark application form.⁴

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 18 March 2016. The Respondent-Applicant however did not file an Answer. The Bureau issued an order of default on 15 July 2016.

The competing marks are reproduced below:

SIXXIS

Opposer's mark

SIXXIS

Respondent-Applicant's mark

The marks are identical in literal elements and have the same visual presentation, both written in a similar block style lettering. Visually and aurally the marks are confusingly similar. As between the parties, the Respondent-Applicant was the first to file an application for the registration of the mark SIXXIES in the Philippines.

⁴ Exhibits "A" to "P" inclusive

This Bureau emphasizes, however, 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 to registration. The Philippines implemented the World Trade Organization Agreement on the Trade - Related Aspects of Intellectual Property ("TRIPS Agreement") when the IP Code took into force and effect on 1 January 1998.⁵ In the TRIPS Agreement, it is stated:

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 provision of this law.

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 the mark shall be acquired through registration, which must be made validly in accordance with the provision of the law.

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 *Berris v. Norvy Abyadang*⁶, the Supreme Court held:

"The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Xxx In other words, the *prima facie* presumption brought about by the

⁵ See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)

⁶ G.R. No. 183404, 13 October 2010.

registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, *i.e.* it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to the one who first used it in trade.”

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, thereby adopting the policy of “First-to-File” rule, there are indications that 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.⁷ The “First-to-File” rule could not have been intended to justify the approval of a trademark application just because it was the first application to be filed regardless of another's better or superior right to the mark applied for. The rule cannot be used to commit or perpetrate 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. RA 8293 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 the instant case, the Opposer proved that it is the originator and owner of the mark SIXXIES and that the Respondent-Applicant was its exclusive distributor in the Philippines of the goods bearing the mark SIXXIES. To prove this, The Opposer submitted invoices⁸ that show it has been supplying tires bearing the SIXXIES mark to the Respondent-Applicant. More damning is a letter signed by Enrique Roger Wee, agreeing to become Opposer's exclusive distributor in the Philippines. Enrique Ho Wee, herein Respondent-Applicant, appears to be the same Enrique “Roger” Wee, as seen from his business card.⁹ Both have the same address, first and last names. The business relationship of Respondent-Applicant becoming Opposer's exclusive distributor in the Philippines, is further seen through relevant e-mail correspondence¹⁰ between them. A mere distributor cannot be considered the owner of a mark. The Supreme Court in the case of Unno Commercial Enterprises, Incorporated v. General Milling Corporation¹¹, held:

Use of a trademark by a mere importer, indentor or exporter (the Senior Party herein) inures to the benefit of the foreign manufacturer whose goods are identified by the trademark.

⁷See Section 236 of the IP Code.

⁸ Exhibits “E” and “L”

⁹ Exhibit “I”

¹⁰ Exhibit “K”

¹¹ G.R. L. No. 28554, 28 February 1982

Again, in a more recent case, the Supreme Court in *Superior Commercial Enterprises v. Kunnan Enterprises, Ltd.*¹², emphasized that a mere importer has no right to apply for the registration of a mark. It held:

Thus, the CA in the Registration Cancellation Case correctly held:

As a mere distributor, petitioner Superior undoubtedly had no right to register the questioned mark in its name. Well-entrenched in our jurisdiction is the rule that the right to register a trademark should be based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law, only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same. An exclusive distributor does not acquire any proprietary interest in the principal's trademark and cannot register it in his own name unless it is has been validly assigned to him.

WHEREFORE, premises considered, the instant Opposition to application no. 4-2015-503050 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark registration 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. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs

¹² G.R. No. 169974, 20 April 2010