

JOHNSON CONTROLS TECHNOLOGY COMPANY, }
Opposer, }

-versus-

ORIENTAL AND MOTOLITE MARKETING, }
Respondent-Applicant. }

x-----x

IPC No. 14-2014-00554
Opposition to:
Appln. Serial No. 4-2014-003765
Date Filed: 26 March 2014

TM: DELKOR

NOTICE OF DECISION

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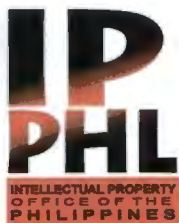
GREETINGS:

Please be informed that Decision No. 2017 - 243 dated 22 June 2017 (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, 23 June 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



JOHNSON CONTROLS TECHNOLOGY COMPANY,	} IPC NO. 14- 2014-00554
Opposer,	} Opposition to:
	} Application No. 4-2014-003765
	} Date filed : 26 March 2014
-versus	}
	} Trademark: "DELKOR"
ORIENTAL AND MOTOLITE MARKETING,	}
Respondent-Applicant.	}
x-----x	} Decision No. 2017- <u>243</u>

DECISION

JOHNSON CONTROLS TECHNOLOGY COMPANY,¹ ("Opposer") filed a Verified Opposition to Trademark Application Serial No. 4-2014-003765. The application, filed by ORIENTAL AND MOTOLITE MARKETING,² ("Respondent-Applicant") covers the mark "DELKOR" for use on "automotive batteries" under Class 9 of the International Classification of Goods and Services.³

The Opposer relies on the following grounds in support of the opposition:

"3. The Opposer will be damaged by the registration of the Application and respectfully submits that the Application should be denied for the reasons set forth below:

"4. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ('IP Code'): xxx

"5. The Opposer is the registered owner and prior user of the mark DELOR worldwide, and is therefore entitled to the exclusive use of the mark. Section 138 of the IP Code states: xxx

¹ A corporation duly organized and existing under the laws of Michigan, U.S.A., with address at 915 East 32nd Street, Holland, Michigan 49423, U.S.A.

² A Philippine corporation with address at 80-82 Ramcar Center, Roces Avenue, Diliman, 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 Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks, which was concluded in 1957 and administered by the World Intellectual Property Organization.

“6. The registration of the Application will violate Section 123.1 (a), (d), (e) and (f) of the IP Code which expressly prohibit the registration of a mark if it:

“6.1. Consists of immoral, deceptive or scandalous, matter or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute. (Sec. 123.1 (a) of the IP Code).

“6.2. 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. (Sec. 123.1 (d) of the IP Code).

“6.3. Identical with, or confusingly similar to, or constitutes a translation of a mark with which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark. (Section 123.1 (e) of the IP Code).

“6.4. Identical with or confusingly similar to, or constitutes a translation of a mark, considered well known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods and services which are not similar to those with respect to which registration is applied for: *Provided*, that the use of the mark in relation to the goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, that the interests of the owner of the registered mark are likely to be damaged by such use.

“7. The registration of the application will also violate Section 165 of the IP Code which expressly protects Trade names even prior to or without registration of against any unlawful act committed by third parties, to wit: xxx”

The Opposer states, among other things, the following facts:

“3. The Johnson Electric Service Company launched in 1885. Xxx

“6. In 1974, the company changed its name to Johnson Controls, Inc. In 1978, the Opposer acquired Globe-Union, the largest U.S.

manufacturer of automotive batteries. Three years after the merger, sales surpassed \$1 billion USD.

DELKOR

“In 1985, the Opposer established a South Korean joint venture company with General Motors to develop high quality automotive batteries, as shown in the link <http://www.delkor.com.language/eng/company/delkoris.asp>. The General Motors company Delphi Corp. maintained an ownership interest in the joint venture company called Delkor Corporation. In 2005, Opposer acquired, through a number of subsidiaries, the global battery business of Delphi Corp, which included the ownership interest in Dekor Corporation. Over time, through its subsidiaries, Opposer increased its ownership stake in Delkor Corporation. Finally, in 2013, JC Delkor (previously Delkor Corporation) became an indirect wholly owned subsidiary of Opposer.

“16. In the Philippines, the DELKOR trademark has been used for automotive batteries since at least as early as August 1996.

“17. DELKOR batteries are available in the Philippines by Promax Trading Corporation. Xxx

“19. The Opposer, itself or through JC Delkor (under its previous name Delkor Corporation), holds several trademark registration and applications for its DELKOR trademark for automotive batteries in different countries around the world. In different jurisdictions worldwide. Xxx

“20. In the Philippines, the Opposer owns the following trademark applications for DELKOR:

Application No.	Trademark	Filing Dtae	Goods
42014505788	DELKOR	December 9, 2014	09: Batteries and Battery chargers

In support of the Opposition, the Opposer submitted the following:

1. Verified Notice of Opposition;
2. Power of Attorney;
3. Delegation of Authority and Unanimous Written Consent;
4. Print-out from http://www.johnsoncontrols.com/content/us/en/about/our_history.html;
5. <http://fortune.com/company/jcl>;
6. <http://fortune.com/global500/johnson-controls-254>;

7. http://www.johnsoncontrol.com/content/us/en/about/our_company?awards_andrecognition.html;
8. <http://www.delkor.com/language/eng/company/delkoris.asp>;
9. <http://www.johnsoncontrols.com.content/us/en/products/power-solutions/battery-brands.html>;
10. <http://www.delkor.com/language/eng/company/history.asp>;
11. Samples of advertisements for DELKOR products in Australia, Japan and South Korea;
12. Copy of business card of Opposer;
13. List of trademark applications and registrations; and
14. Copy of Philippine trademark filing receipt.⁴

The Respondent-Applicant filed its answer on 11 May 2015, alleging among other things, the following arguments, and defenses:

“3.1. On 26 March 2014, Applicant filed in good faith TM File/Application No. 4201400003765 for the registration of the mark ‘DELKOR’ for automotive batteries under Class 9. xxx

“3.3. Accordingly, on 1 December 2014, Applicant’s Trademark was published in the IPOPHIL’s E-Gazette.

“3.4. It was only on 9 December 2014, more than eight (8) long months after the filing of Applicant’s Trademark application and several days after the publication of Applicant’s Trademark application was published in the E-Gazette, that Opposer filed its TM File/Application No. 4201400505788 for the registration of the mar ‘DELKOR’ for batteries and battery chargers under Class 9 (the ‘Opposer’s Mark’).

“4.1. Contrary to the allegation of the Opposer, Applicant’s Trademark application does not violate Section 123.1 (a), (d), (e) and (f) of the IP Code xxx

“4.2. As can be gleaned from the above provision, it is a condition *sine qua non* that the mark relied upon by the Opposer as basis for its opposition should be well-known internationally AND in the Philippines. xxx

“4.4. In this case, Opposer, in its Notice of Opposition, merely alleged that (a) its mark has been used in the Philippines since 1996; (b) its goods are made available in the Philippines by Promax Trading Corporation; and (c) it has estimated revenues in hundreds of thousands of dollars in the Philippines.

⁴ Exhibits “A” to “P” inclusive

“4.5. To support the above allegations, Opposer (a) attached a business card of a certain Mr. George Tiong, allegedly a Sales Manager and a representative of Promax Trading Corporation and (b) presented tables of its purported revenues in the Philippines.

“4.6. However, a perusal of Mr. George Tiong's business card will immediately reveal that nothing shows, much less proves, that Opposer's Mark and goods has been used or is available in the Philippines. In fact, Opposer's Mark, as well as Opposer's name, does not even appear in the business card.

“4.7. Moreover, the estimated revenues in Opposer's tables are unsupported by any financial statement duly filed with the Bureau of Internal Revenue or accounting document which would sustain the accuracy and authenticity of the figures therein.

“4.8. To be sure, bare and unsubstantiated allegations do not constitute substantial evidence. xxx

“4.9. Considering that, in this case, Opposer utterly failed to prove that its mark is well-known in the Philippines, the instant opposition must be denied by this Honorable Bureau of Legal Affairs.

“4.10. Furthermore, it must be emphasized that at the time that the Applicant's Trademark application was filed, Opposer's Mark was neither used nor registered in the Philippines. In addition, no products of Opposer bearing said mark was advertised or used in the Philippines. More importantly, Opposer only filed its application for the registration of its mark only on 9 December 2014, or more than eight (8) long months after the filing of Applicant's Trademark application and several days after the publication of Applicant's Trademark application was published in the E-Gazette.

“4.11. Undeniably, Applicant was the first entity to file the application for registration of the mark 'DELKOR' in the Philippines. xxx

“4.13. Clearly therefore, Applicant's Trademark application was clearly in accordance with Sections 123.1 (a), (d), (e) and (f) of the IP Code. Opposer will not be damaged by the registration of Applicant's Trademark. xxx

“4.14. In its Notice of Opposition, Opposer claims that the Applicant has filed its Trademark application in bad faith. Such allegation is based solely on the assumption that Applicant is already aware of Opposer's

mark. To be sure a claim of bad faith cannot be founded on mere suppositions, surmises and conjectures. xxx”

The Preliminary Conference was terminated on 4 November 2014 where both parties were directed to file their respective position papers.

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

Records show that the Respondent-Applicant applied for registration of the mark “DELKOR” on 26 March 2014, while the Opposer filed an application for the mark “DELKOR” on 9 December 2014. The goods of both parties are under Class 9, namely “batteries and battery charger” for the Opposer, and “automotive batteries” for the Respondent-Applicant.

The marks of the parties are identical, in respect of the word “DELKOR” as seen below:

Opposer’s Mark

Respondent-Applicant’s Mark

DELKOR

DELKOR

The essence of trademark registration is to give protection to the owners of trademarks. 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 product.⁵

Preceding therefrom, it is observed that the Opposer proved that it is the owner of the mark DELKOR applied on batteries, as seen from the Opposer's website⁶ and pictures of its products, the availability of which can be seen on the internet.⁷ As attested by Jose A. Ramos in his affidavit⁸, in his capacity as Vice President and Secretary of the Opposer, the DELKOR trademark and trade name came to existence in 1985 in South Korea and has come under the Opposer's business unit as a result of a joint venture. A print-out of the Opposer's website shows the DELKOR batteries, as one of its branded products. The Respondent-Applicant's mark DELKOR is phonetically and aurally identical to the Opposer's mark. It is not farfetched that the buying public might conclude that the Respondent-Applicant's

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999.

⁶ Exhibit “J”

⁷ Exhibit “K”

⁸ Exhibit “C”

products bearing the mark DELKOR originate from, or are under the sponsorship of the Opposer's battery brand.

Succinctly, because the Respondent-Applicant uses a mark confusingly similar/and or identical to that of the Opposers, it is likely that the consumers will have the impression that these goods originate from a single source or origin, more so that the goods of the Respondent-Applicant are similar and related to the goods/products of the Opposer. The confusion or mistake would subsist not only 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.⁹

The 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 conceded that the Respondent-Applicant filed an earlier application for the mark DELKOR on 26 March 2014. 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 1998.¹⁰ 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.

⁹*Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

¹⁰ See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)

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.

In the instant case, the Opposer proved that it is the originator and owner of the mark DELKOR and thus, will be damaged by the registration of the Respondent-Applicant's identical mark.

WHEREFORE, premises considered, the instant Opposition to Trademark Application Serial No. 4-2014-003765 is hereby **SUSTAINED**. Let the filewrapper of the subject application be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 JUN 2017.



ATTY. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs