

TALLERES DE ESCORIAZA, S.A.,
Petitioner,

-versus-

QINGDAO TRILINK LOCK GROUP CO. LTD.,
Respondent-Registrant.

IPC No. 14-2015-00304
Petition for Cancellation:
Reg. Serial No. 4-2014-003897
Date Issued: 02 May 2014

TM: TESA

X-----X

NOTICE OF DECISION

ANTONIO C. GOROSPE
Counsel for Petitioner
361 Mayon Street,
Sta. Mesa Heights, Quezon City

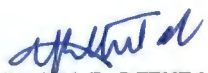
SANTOS PILAPIL AND ASSOCIATES
Counsel for Respondent-Registrant
Suite 1209 Prestige Tower Office Condominium
Emerald Avenue, Ortigas Center
Pasig City

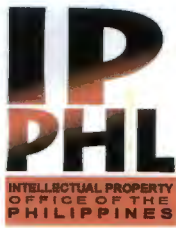
GREETINGS:

Please be informed that Decision No. 2017 - 280 dated 29 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, 03 July 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



TALLERES DE ESCORIAZA, S. A., IPC NO. 14 – 2015-00304
Petitioner,

- versus -

Petition for Cancellation:

QINGDAO TRILINK LOCK GROUP
CO. LTD.

Reg. Serial No. 42014003897
TM: "TESA"

Respondent-Registrant.

x-----x

DECISION NO. 2017 - 280

DECISION

TALLERES DE ESCORIAZA, S. A. (Petitioner),¹ filed a Verified Petition for Cancellation of the Trademark Registration No. 4 - 2014 – 003897 on 29 June 2015. The subject trademark registration owned by QINGDAO TRILINK LOCK GROUP CO. LTD. (Respondent-Registrant),² covers the mark "TESA" for "*props of metal; doors of metal; nails; fittings of metal for windows; door handles of metal; door fittings of metal; ironmongery, locks of metal, other than electric; keys; safes (strong boxes); hinges of metal; chains of metal; spring locks; padlocks; locks of metal for bags*" under Class 6 of the International Classification of Goods.³

The Petitioner allegations are quoted, as follows:

3. The history of petitioner's "TESA" brand which stands for petitioner's name, Talleresde Escoriaza SA (Spain) is currently not only the leading Spanish but the world's leading manufacturer and supplier of locking solutions and access control technology for the residential and institutional markets, which was founded in 1941 specializing then only in mechanic systems and other door hardware. It has progressed into milestones of achievement over many years.

3.1 In 1986, it introduced the first generation of electronic locking systems based on mag-stripe technology - the HT10. In 1993, the electronic locking systems were developed and the next generation of electronic locks, such as the HT24w were launched. In 1995, the electronic division was created recognizing the growing importance and needs of the electronic locks market including those for the hospitality industry. In 1996, the TESA

¹ A foreign corporation with business address at Barrio Ventas 35, 2035 IRUN (GUIPUZCOA), Spain

² A corporation with address at 61 Haier, Qindao, China

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 International Classification of Goods and Services for Registration of Marks concluded in 1957.

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,
Taguig City 1634 Philippines • www.ipophil.gov.ph
T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph

Entry Systems (TESA ESI, for brevity), was specialized in electronic products and solutions.

And in 1997, the company was acquired by the British Group Williams Pic. and the international distribution network started and continued expanding.

3.2. In 1998, the TESA ESI's group celebrated its first million electronic locks installed for the hospitality industry. The following year, 1999, TESA ESI introduced the new generation of dual Smart/mag-stripe card locking system, HT28 Smart.

3.3. In 2000, the Talleres de Escoriaza was sold to the Assa Abloy Group while the TESA Entry System, the entity that specialized in electronic solutions, was retained allowing it to focus better on customers' needs.

3.4. On January' 2002, the company announced the acquisition of Senercomm®, the Headquarters of which is located in Palm Beach Gardens, Florida. Sennercomm has been supplying the hospitality industry with guestroom energy management technology since its founding in 1989.

3.5. On October 1, 2002, as a result of the continuous expansion of services and integrated electronic solutions for the hospitality industry, the company began re-branding strategy to fit the new repositioning as a global provider of electronic solutions and services.

3.6. In 2003, the company re-designs the safes product range. It was also in this year when new important milestone was also reached. 2,500,000 locks were installed worldwide.

3.7. In 2006, the ADVANCE lock was launched featuring a unique two Piece design that minimizes hardware on the guestroom door.

3.8. In 2009, Onity introduced the ADVANCE RFID (Radio Frequency Identification) locking system. This new locking solution utilizes MiFare® Classic technology, which has become a standard worldwide.

3.9. Along with the rise of company's corporate profile is the public's growing consciousness of TESA's brand which is now-internationally well-known. Today, the company is recognized worldwide for its powerful combination of innovative thinking, intelligent systems, and great service. a "one-stop-shop" global provider of electronic solutions.

3.10. Soon, the "one-stop-shop" concept introduced TESA's revolutionizing the locking systems and access control. Petitioner's TESA became known not only as the go-to place for a wide and complete range of products including panic exit devices, cylinders, security locks, knobs and handles, door closers, access control solutions with electronic cylinders, electromechanical and electromagnetic solutions and armored doors, it also became a skills enhancement center, innovating and creating ideas with the end-in-view of making these ideas operative. More than €4 Million Euros have been invested and a team of professionals have been formed whose goals are creativity and anticipation. Any other clues as to what RDI ("Research Data Incorporated") mean for TESA? The next time one sees the latest

technological advances in locking systems and access control, just remember that, that was TESA's RDI ten years ago.

4. Verily, petitioner's "TESA" has become not only an institution in the field of retail but likewise a household, hardware and institutional markets in terms of the public's identification of its brand with the product and services it provides. In many comers of the world, mere mention of the words "TESA" instantly evokes the image of a compact, efficient and convenient locking systems and access control center where every product and device for any kind of security may be found.

Along the same vein, the company is now the leading provider of a host of hotel Facility management systems: e-locks and Smart Card Systems, In-room Safes, and Energy Management.

6. Indeed, petitioner's TESA has a wide and complete range of products including panic exit devices, cylinders, security locks, knobs and handles, door closers, access control solutions with electronic cylinders, electromechanical and electromagnetic solutions and armored doors exports to markets such as Latin America, Middle East, Europe, Asia Pacific and the North African countries.

7. Notwithstanding the existence of Petitioner's "TESA" mark in Classes 6 and 9, respondent filed on March 28, 2014 an application for registration of the mark "TESA" under Class 6, which mark is strikingly similar or is exactly the same and identical with petitioner's mark "TESA" designated as Trademark Application No. 42014003897 under Class 6.

8. Petitioner's mark "TESA" is internationally well-known mark that has come to be identified with the petitioner's world class quality products. Respondent surely must have had knowledge of petitioner's renowned TESA" mark when it filed its application with the same mark TESA very much similar and practically without any difference with the petitioner's mark and thus is deemed to be a bad faith registrant.

9. Petitioner likewise is of the opinion and believes that the continued registration and use by respondent of the mark "TESA" would cause and is causing grave and irreparable injury and damage to the business reputation and goodwill of the petitioner on account of the unreasonable and unlawful duplication and imitation of the subsisting mark being used by the petitioner. What is more, if respondent would be allowed to use petitioner's trademark "TESA", it would necessarily and unduly sow confusion in petitioner's business especially in its products among the general public. Thus, petitioner seeks to cancel Trademark Registration No. 42014003897 on the basis of the following

In support of its Petition, the Petitioner submitted the following evidence:

Exhibit "A" – Authenticated copy of Certificate of Registration issued by Government of India;

Exhibit "B" – Authenticated copy of Certificate of Registration issued by Government of Indonesia;

Exhibit "C" – Authenticated copy of Certificate of Registration issued by Government of Malaysia;

Exhibit "D" to "D-1" to "S" – copies of purchase invoices to Furniture

- Fixtures with address located at Makati with date 11 December 1996;
- Exhibit "D-1" and "E" - copies of purchase invoices to Manila Capitco Corp with address located at Paco, Manila with date 12 March 2013;
- Exhibit "E-1" - copies of purchase invoices to Caservi Mantemientos Generales, S. L. with address located at Madrid, Spain with date 12 March 2013;
- Exhibit "F" and "F-1" - copies of Order form from distributor Furniture Fixtures & Equipment with address located in Makati Ave., Makati dated December 16, 1995;
- Exhibit "F-2" - copy of fax to Ms. Paloma Arteché of Furniture Fixture & Equipment, Inc.
- Exhibit "G" - copy of Order form by Mr. Paloma Arteché of Furniture Fixture & Equipment, Inc dated 11 October 1995;
- Exhibit "G-1" - copy of Pro forma Invoice to Batangas City Real Hotel Corp;
- Exhibit "G-2" - copy of Order form from Furniture Fixture & Equipment, Inc dated April 3, 1996;
- Exhibit "H" - copy of Pro forma Invoice to Furniture Fixture & Equipment, Inc dated April 19, 1996;
- Exhibit "H-1" - copy of Order form from Furniture Fixture & Equipment, Inc dated April 19, 1996;
- Exhibit "H-2" - copy of fax to Ms. Paloma Arteché of Furniture Fixture & Equipment, Inc dated May 16, 1996;
- Exhibit "I", "J" "K" - copy of Order form from Furniture Fixture & Equipment, Inc.
- Exhibit "K-1" - copy of Pro forma Invoice to Furniture Fixture & Equipment, Inc dated December 11, 1996;
- Exhibit "L" - copy of Order form from Furniture Fixture & Equipment, Inc dated October 18, 1996;
- Exhibit "L-1" - copy of fax of Summary of Locks Ordered;
- Exhibit "L-2" - copy of Pro forma Invoice to Furniture Fixture & Equipment, Inc dated December 11, 1996;
- Exhibit "M" - copy of Order form from Furniture Fixture & Equipment, Inc dated October 18, 1996;
- Exhibit "M-1" and "N" - copy of Pro forma Invoice to Furniture Fixture & Equipment, Inc and Manila Capitco Corporation;
- Exhibit "O" - copy of Distribution Agreement;
- Exhibit "P" to "S" - Pricelist and pictures of TESA products;
- Exhibit "T" - List of different registered trademarks of Petitioner;
- Exhibit "U" to "U-10" - Copy of Trademark Registration Certificate from the United Arab Emirates, Bolivia, Kingdom of Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, OHIM, Kingdom of Jordan and Malaysia;

- Exhibit "V" – print out of the petitioner's website;
Exhibit "W" – Catalogues in English for Talleres de Escoriaza, S. A.;
Exhibit "X" – Price list of 2014 Talleres de Escoriaza, S. A. products;
Exhibit "Y" – Commercial Condition of 2013 of Talleres de Escoriaza, S. A.;
Exhibit "Z" – Photos of TESA products;
Exhibit "AA" – List of dentical Marks filed by the Respondent-Registrants; and
Exhibit "BB" – print out from sbcx.saic.gov.cn website.

A Notice to Answer was issued on 16 July 2015 and served a copy to the Respondent-Applicant on 23 July 2015. However, the Respondent-Applicant did not file an Answer to the Petition. This Office issued an Order dated 15 January 2016 declaring the Respondent-Applicant in default. Consequently, this case was submitted for Decision.

The primary issue to be resolved in this case is whether the trademark "TESA" covered by Trademark Registration No. 4-2014-003897 should be cancelled.

The present petition is anchored on Section 151 of the Intellectual Property Code. The particular provisions are hereby quoted as follows:

Section 151. Cancellation. - 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

(a) Within five (5) years from the date of the registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. x x x

The trademarks of both parties are reproduced below for comparison.



Petitioner's Trademark



Respondent-Registrant's
Trademark

Evidently, the above trademarks are composed of the same wordmark "TESA." Although the color combination and font style may be different, it did not provide a sufficient differentiation or distinguishing characteristics that would prevent the consuming public from interchanging the trademarks or associating their subject goods or its owners.

In addition to the above findings, records show that the goods subject of the competing trademarks are identical, or at the very least, considered to be closely related goods. The Respondent-Registrant's mark deals with: props of metal, doors of metal, nails, fittings of metal for windows, door handles of metal, door fittings of metal, ironmongery, locks of metal, other than electric, keys, safes (strong boxes), hinges of metal, chains of metal, spring locks, padlocks, and locks of metal for bags. On the other hand, the products covered by the Petitioner's mark are also metal hardware, such as, metal locks, safes, metal latches and lock bolts, metal keys and metal doors, among others. The two categories of goods are similar and competing goods.

Verily, the used of such closely similar, if not identical marks on similar, related and even competing goods would result to public confusion and detrimental to the consumers. Thus, it is imperative to determine who between the contending parties has the right over the trademark.

The records bear out that when the Respondent-Registrant applied for registration of its wordmark "TESA" on 28 August 2014, the Petitioner has already appropriating and using the said trademark. The said mark has been in use by the Petitioner as early as 1941⁴ or over 70 years prior to the Respondent-Registrant. In fact, the Petitioner product has been traded in the Philippines, since the 1996.⁵ Moreover, the Petitioner has successfully registered the said mark under its name, in a number of countries, earliest of which was in 1944.⁶

Clearly, the Petitioner has sufficiently shown that it was the first adopter and prior user of the wordmark "TESA" which can be considered identical to the Respondent's registered wordmark. Notably, the Respondent-Registrant did not controvert the same nor submit evidence to support its own claim over the subject trademark.

It is well-settled that registration of a trademark merely creates a prima facie presumption of the validity of the registration, of the registrant's ownership of the trademark, and of the exclusive right

⁴ Verified Petition for Cancellation p. 5

⁵ Exhibit "D"

⁶ Exhibit "T"

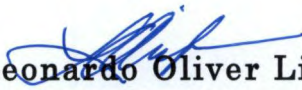
6/10/14

to use thereof.⁷ Such presumption is rebuttable and must give way to the evidence to the contrary.⁸ In the instant case, the Petitioner has sufficiently proven that between the herein parties, it is the Petitioner who can be considered owner of the subject trademark. Thus, the registration of the Respondent-Registrant's trademark was contrary to the provision of the IP Code and should be cancelled.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **GRANTED**. Accordingly, the Certificate of Registration No. 42014003897 is **CANCELLED**. Let the filewrapper be returned together with a copy of this Decision to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 29 JUN 2017


Atty. Leonardo Oliver Limbo
Adjudication Officer
Bureau of Legal Affairs

⁷ Birkenstock Orthopaedic GMBH and Co. KG vs. Philippine Shoe Expo Marketing Corporation, G.R. No. 194307, 20 November 2013.

⁸ *ibid*