

INTER IKEA SYSTEM BV,
Opposer,

-versus-

ELEC-TREATS ENT., INC.,
Respondent-Applicant.

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IPC No. 14-2015-00245
Opposition to:
Appln. Serial No. 4-2014-00011261
Date Filed: 10 September 2014

TM: IKHEA

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 289 dated 03 July 2017 (copy enclosed) was promulgated in the above entitled case.

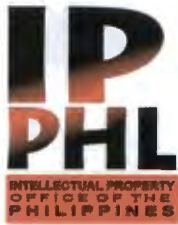
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 05 July 2017.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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ELEC-TREATS ENT., INC.,
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} IPC NO. 14-2015-00245

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} Date Filed: 10 September 2014

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} Trademark: "IKHEA"

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x-----x} Decision No. 2017- 289

DECISION

INTER IKEA SYSTEM BV, (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2014-00011261. The application, filed by ELEC-TREATS ENT., INC. (Respondent-Applicant)², covers the mark "IKHEA", for use on "Illuminants, tapes and nightlights" under Class 4 of the International Classification of Goods³.

The Opposer states the following grounds in support of the opposition:

"a. The subject trademark IKHEA is confusingly similar to Opposer's registered mark IKEA under TM Reg. No. 4-2003-002684 and hence must not be allowed to register under Section 123.1 (d) of the Intellectual Property Code (IP Code);

"b. IKEA is a well-known mark as defined by Sec. 123.1 (f) in relation to (e) of the IP Code and if IKHEA is allowed to register, Opposer's rights arising from its ownership of a well-known trademark will be violated.

"c. IKHEA is confusingly similar to Opposer's corporate name and/or trade name, Inter IKEA Systems BV and hence, not eligible for registration under Section 165 of the IP Code and Article 8 of the Paris Convention while also falsely suggesting to relevant consumers that the Respondent-Applicant is related to Opposer and the former's products have the approval and endorsement of the latter.

"d. IKHEA is a bad faith copy of IKEA and is intended purely to unfairly profit commercially from the goodwill, fame and notoriety

¹ A corporation organized and existing under the laws of Netherlands with address at Hullenbergweg, NL 1101, Amsterdam, The Netherlands.

² with address at #30 Pitimini St. Brgy. Paltok, Quezon 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.

enjoyed by Opposer's IKEA trademark contrary to Section 168.1 of the IP Code."

The Opposer also alleges, among other things, that:

"Opposer is the originator, user and owner of the well known IKEA trademarks and that its trademarks have obtained well-known status.

"8. The IKEA story began in 1926 when founder Ingvar Kamprad was born in Smaland in southern Sweden. He was raised on 'Elmtaryd' a farm near the small village of Agunnaryd. Even as a young boy Ingvar knew he wanted to develop a business.

"9. In 1943, when Ingvar Kamprad was just 17 years old, his father gave him money as a reward for succeeding in his studies. He used the money to establish his own business. The name IKEA is derived from Ingvar Kamprad's initials (I.K.) plus the first letters of Elmtaryd (E), the farm village where he was born and Agunnaryd (A), the village where he grew up.

"10. IKEA originally sold pens, wallets, picture frames, table runners, watches, jewelry, nylon stockings which were prices reasonably low compared to similar products. In 1948, IKEA furniture was introduced.

"11. In 1951, the IKEA catalogue as we know today was published. Kamprad used the catalogue to sell furniture on a larger scale. xxx

"28. To date, there are 369 IKEA stores in 47 countries and territories. The IKEA Group itself owns stores in such countries as Australia (2), the United Arab Emirates (2), Cyprus (1), Greece (3), Hong kong (3), Iceland (1), Israel (1), Kuwait (1), Malaysia (1), Netherlands (1), Romania (1), Saudi Arabia (3), Singapore (2), Spain (4), Taiwan (4), and Turkey (4).

"30. Since its opening, IKEA store boasts of approximately 716 million visits while web visits to www.IKEA.com have reached more than 1.5 billion. The IKEA Catalogue App was opened 416 million times. xxx"

To support its opposition, the Opposer submitted as evidence the following:

1. Affidavit of Gabrielle Olsson Skalin;
2. Articles of Incorporation of Inter IKEA Systems BV;
3. List of Opposer's registered and pending trademarks;
4. Certified true copies of Trademark Registrations for the mark "IKEA" in various countries and jurisdictions;
5. Print-out from website www.INTERBRAND.com;
6. Samples of IKEA catalogue;
7. Print-out from the website <http://www.ikea.com>
8. Print-out from Adobe Analytics (SiteCatalyst);

9. Print-out from : Facebook; Twitter; Youtube; Pinterest; Instagram; Google and Vine regarding IKEAUSA;
10. Annual Reports from IKEA Group;
11. Invoices and Sales receipts from Philippine sales;
12. Queries about franchising;
13. Affidavit of Diana F. Rabanal;
14. Special Power of Attorney;
15. Board Resolution;
16. Certified Copy of Trademark Registration in the Philippines;
17. Print-out of registration details from trademark registry of other countries;
18. Screenshot of IKEA using Google search engine;
19. Print-out of websites with blogs, reviews about IKEA;
20. Copy of Fortune magazine featuring IKEA;
21. General Information sheet of Elec-Treats Ent. Inc; and
22. General Information Sheet of IKHEA Lightings Inc.⁴

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 27 August 2015. The Respondent-Applicant, however did not file an Answer. The Hearing Officer issued on 30 May 2016 an order declaring the Respondent-Applicant in default.

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

The records show that at time the Respondent-Applicant filed its application on 7 September 2014, the Opposer already has an existing Registration No. 4-2003-002684 for the mark "IKEA"⁵ issued on 16 July 2007 covering goods under Classes 2, 8, 11, 16, 18, 20, 21, 24, 25, 27, 28, 29, 30, 31, 35, 36, 39, 41, 42 and 43. The Respondent-Applicant uses its mark on goods under class 4, namely "Illuminants, tapes and nightlights" that are similar or closely related to the Opposer's, particularly, "lamps, electric bulbs, household ovens, cookers, heaters, kitchen extractor, fans, refrigerators, drying tumblers, torches, bathroom fittings and installations" under Class 11.

But are the competing marks identical or closely resembling each other such that confusion or mistake is likely to occur?

Opposer's mark

Respondent-Applicant's mark

IKEA

ikhea

The marks of Respondent-Applicant contains all of the four letters, I-K-E-A of Opposer's mark, differing only with the addition of the letter "H" after the letter "K", hence "IKHEA". The Respondent-applicant's letter "i" is in small case, but this difference is negligible considering that it appropriated all the literal components of Opposer's mark. When pronounced, the marks IKEA and IKHEA sound the same.

⁴ Exhibits "A" to "W" inclusive of submarkings

⁵ Exhibit "P"

Visually and aurally the marks are confusingly similar. The commercial impression generated by the marks are identical and when applied on the same kind of products, such as, “illuminants, tapers, nightlights”, may likely cause confusion and deception on the part of the purchasing public as to the true owner or origin of the goods. Even if the registration of Opposer are in other classes of goods, such as Classes 2, 8, 16, 20 etc, class 11, includes “lamps and electric bulbs and installations” which are related and similar, if not identical to the Respondent-Applicant’s products. In *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andresons Group, Inc.*⁶, the Supreme Court held:

“In resolving whether goods are related, several factors come into play:

- (a) the business (and its location) to which the goods belong
- (b) the class of product to which the goods belong
- (c) the product's quality, quantity, or size, including the nature of the package, wrapper or container
- (d) the nature and cost of the articles
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
- (f) the purpose of the goods
- (g) whether the article is bought for immediate consumption, 100 that is, day-to-day household items
- (h) the fields of manufacture
- (i) the conditions under which the article is usually purchased and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.”

The products of the parties are sold in furniture stores, outlets and stores selling household items, home-improvement, interior decorations. The purpose of the goods are the same and they are available through the same channels of trade. It is likely therefore, that the relevant public might mistake or confuse the Respondent-Applicant’s products as that of Opposer’s.

The Opposer showed that it is the prior user, originator and registrant of the mark IKEA. The evidence shows that the mark IKEA, was derived from the owners initials, Ingvar Kamprad, and first letters of the place where the owner was born and raised⁷. Opposer presented registrations⁸ of the mark “IKEA” in different countries and territories, including the Philippines. The Opposer likewise presented sales invoices⁹ to prove that the mark is not just registered but is also sold in commerce in the Philippines. Its ownership is proved by the presence and public recognition of its products and services on the internet. It submitted print-outs of screenshots, websites and social media.¹⁰ 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 to registration. The Philippines implemented the World Trade Organization Agreement on the Trade - Related Aspects of Intellectual Property (“TRIPS

⁶ G.R. 154342, July 14, 2004

⁷ Exhibit “A”

⁸ Exhibit “C” with submarkings

⁹ Exhibit “K”

¹⁰ Exhibits “G”, “H” and “I”

Agreement”) when the IP Code took into force and effect on 1 January 1998.¹¹ 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. Even if the Respondent-Applicant applied for registration of the confusingly similar mark “IKHEA” on goods under class 4, the Opposer maintains superior and exclusive proprietary right to the mark IKEA to the exclusion of others.

Succinctly, because the Respondent-Applicant uses its mark on goods that are identical or closely related to the Opposer’s 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 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.¹²

¹¹ See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)

¹² *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

The public interest, 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.

Furthermore, "IKEA" is also Opposer's company name, INTER IKEA SYSTEM BV or trade name. A corporate name is protected from unauthorized appropriation. The Supreme Court in *Philips Export B.V. v. Court of Appeals*¹³, has held:


As early as *Western Equipment and Supply Co. v. Reyes*, 51 Phil. 115 (1927), the Court declared that a corporation's right to use its corporate and trade name is a property right, a right *in rem*, which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. It is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation in the same field (*Red Line Transportation Co. vs. Rural Transit Co.*, September 8, 1934, 20 Phil 549).

Therefore, the subsequent appropriation and application by the Respondent-Applicant of the mark IKHEA is proscribed.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-00011261 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 03 JUL 2017


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

¹³ G.R. No. 96161 February 21, 1992