



KEUCO GMBH & CO.,
Opposer,

-versus-

ZHI FU HUANG,
Respondent-Applicant.

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IPC No. 14-2014-00082
Opposition to:
Appln. Serial No. 4-2013-013533
Date Filed: 12 November 2013

TM: KEUCO

NOTICE OF DECISION

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Makati City

ZHI FU HUANG
Respondent- Applicant
12A Dynasty Tower 1
No. 1930 Bambang Street,
Tondo, Manila

GREETINGS:

Please be informed that Decision No. 2017 - 259 dated 28 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, 29 June 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

KEUCO GMBH & CO.,	} IPC NO. 14-2014-00082
Opposer,	} Opposition to:
	}
-versus-	} Appln. Ser. No. 4-2013-013533
	} Date Filed: 12 November 2013
	}
ZHI FU HUANG,	} Trademark: "KEUCO"
Respondent-Applicant.	}
x-----x	} Decision No. 2017- 259

DECISION

KEUCO GMBH & CO., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2013-013533. The application, filed by ZHI FU HUANG (Respondent-Applicant)², covers the mark "KEUCO", for use on "Toilet bowls, water faucet spout, shower faucet extensions, plumbing fittings, namely, faucet filters, automatic faucets, faucet aerators, faucet handles, faucet sprayers, bath tub jets, urinals, (sanitation fixtures), spouts for affixing on walls for baths, basins, bidets & lavatory bowls" under Class 11 and "wash basins & basin, bowls" under Class 21 of the International Classification of Goods³.

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

"9. The mark KEUCO being applied for by respondent-applicant is identical to opposer's well-known trademark KEUCO, registered in over 50 countries, as to be likely, when applied to or used in connection with the goods of respondent-applicant, cause confusion, mistake and deception on the part of the purchasing public.

"10. The registration of the trademark KEUCO in the name of the respondent-applicant will violate Section 123.1, subparagraph (e) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code), to wit:

(e) Is 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:

¹ A corporation organized and existing under the laws of Germany with address at Oesestrasse 36, 58675 Hemer, Germany.

² with address at 12A Dynasty Tower I, No. 1930 Bambang Street, Tondo, Manila

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.

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;”

“11. The registration and use by respondent-applicant of the mark KEUCO will diminish the distinctiveness and dilute the goodwill of opposer’s well-known trademark KEUCO.

“12. The registration of the mark KEUCO in the name of the Respondent-applicant is contrary to other provisions of the IP Code of the Philippines.

According to the Opposer:

I

“Respondent-applicant’s mark, being applied for registration, is identical to opposer’s well-known trademark KEUCO, registered in over 50 countries, as to likely, when applied to or used in connection with the goods of respondent-applicant, cause confusion, mistake and deception on the part of the purchasing public. xxx

“14. The respondent-applicant copied and used for his mark the exact word KEUCO contained in the opposer’s well-known trademark. Respondent’s mark KEUCO is completely identical to opposer’s mark KEUCO. It is in fact, opposer’s corporate name. They have the exact same letters K-E-U-C-O arranged in exactly the same position and with the exact same appearance, i.e. size, length, thickness of the letters, ont, design and over-all look. A side-by-side comparison of the two marks displays the obvious. Xxx

II

“The goods covered by respondent-applicant’s mark KEUCO are similar and competing with the goods of opposer’s marks KEUCO such that respondent-applicant’s use of its mark will be more likely to cause confusion in the minds of the purchasing public.

“19. Opposer’s mark and respondent-applicant’s mark cover the same and competing goods. Significantly, respondent-applicant’s trademark application for KEUCO covers ‘Toilet bowls, water faucet spout, shower faucet extensions, plumbing fittings, namely, faucet filters, automatic faucets, faucet aerators, faucet handles, faucet sprayers, bath tub jets, urinals, (sanitation fixtures), spouts for affixing on walls for baths, basins, bidets & lavatory bowls” under Class 11 and “wash basins & basin, bowls” under Class 21 while opposer’s KEUCO covers similar products namely”

xxx



“11: Apparatus for lighting and sanitary purposes, lights, sanitary furnishings, namely bath tubs, bath tub for sitz baths, shower trays, wash basins, utility sinks, toilet bowls, bidets, urinals, spa baths, sauna bath installations; Water conducting fittings, fittings, namely connecting, mixing and distributing fittings, couplings, taps and control fittings, wall mounts, siphons; toilet seats; Toilet lids; Urinal covers; water-supply apparatus; Shower rods; Showers; Shower fittings and hoses for bathrooms and public baths; Flushing tanks; Fittings for washbasins, sinks, bath tubs and showers, manually or automatically controlled valves and mixing valves for sanitary water supply, and parts and fittings for all the aforesaid goods (included in class 11); Sanitary fixtures and fittings.

xxx

“21. Household and kitchen containers (not for precious metal or coated therewith), namely containers for cloths of paper and cosmetics, soap and lotion dispensers; Toilet brush fittings; Holders for hand towels, bath towels, soap combs, glass and paper dolls; Towel and soup baskets; Soap holders; Towel rings; Sanitary dispensers; (hygienic) waste collectors; Holders and units for bath and toilet utensils.

“20. Significantly, respondent-applicant’s trademark application for KEUCO covers ‘toilet bowls, et al.’ and ‘wash basins, et al.’ while opposer’s KEUCO is well known for similar products namely, ‘apparatus for lighting and sanitary purposes’ and household and kitchen containers (not of precious metal or coated therewith), namely containers for cloths of paper and cosmetics, soap and lotion dispensers, et. al.’ both in Class 11 and Class 21, respectively.

21. Evidently, both sets of goods are similar and fall under the same international class. The confusion between the goods bearing the respective confusingly similar words KEUCO and KEUCO is more likely and pronounced.

“22. Both goods therefore are sold in the same channels of business and trade. Hence, the potential confusion on the consuming public is greater. In view of the similarity of the covered goods, the purchasing public will most likely be deceived to purchase the goods of the respondent-applicant labeled KUECO in the belief that they are purchasing opposer’s products bearing the label KUECO. This will thus result to damage to the public and to opposer’s business and goodwill over its products bearing the mark KUECO. Xxx

“Opposer’s registered mark KUECO is a well-known trademark. xxx

“26. Opposer was established in 1953 in Hemer, Germany. The company has continuously expanded the range of its products. KUECO

quality bathroom accessories to presenting itself as a full range supplier of bathroom furnishings including fittings, accessories, mirror cabinets, bathroom furniture and washbasins, which are produced at its Hemer, Gutersloh and Bunde sites.

“27. The trademark KUECO is also registered to oppose in various countries xxx

“28. The trademark KUECO is used for bathroom furnishings including fittings, accessories, mirror cabinets, bathroom furniture and washbasins sold and distributed in the Philippines as well as in the following countries xxx

“29. By virtue of opposer’s prior trademark registration for KUECO in various jurisdictions, KUECO has become distinctive of opposer’s goods and business.

“30. The mark KUECO owned by oppose is extensively used and publicized all over the world. Opposer actively and vigorously promotes and advertises its mark KUECO through various media and venues worldwide. xxx

IV

“Respondent-applicant obviously intends to trade on the goodwill of oppose since there is no reasonable explanation for respondent-applicant to use the mark KEUCO when the filed for its selection is so broad. xxx”

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

1. Notarized and legalized Corporate Secretary’s Certificate;
2. Notarized and legalized Affidavit –testimony of Hartmut Dalheimer;
3. List of Exhibitors in SHK Essen 2014;
4. SHK Essen 2014 Site Plan showing booth;
5. List of Exhibitors in IHF Inthem;
6. Exhibition booth of Opposer;
7. Official Facebook page of oppose Ketten GmbH & Co. KG;
8. Official Twitter page of opposer;
9. Official Youtube page of opposer;
10. Instore display of opposer;
11. Official website of oppose, www.kueco.de; and
12. Official blogs featuring Facebook page of Opposer.⁴

This Bureau served upon the Respondent-Applicant a “Notice to Answer” on 20 May 2014. The Respondent-Applicant, however did not file an Answer. The Hearing

⁴ Exhibits “A” to “L” inclusive

Officer issued on 12 September 2014, Order No. 2014-1150 declaring the Respondent-Applicant in default.

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

The competing marks, depicted below are identical.

Opposer's marks

Respondent-Applicant's mark

KEUCO

KEUCO

At a glance, the marks are identical in literal components, consisting of five letters, K-U-E-C-O. In addition, the font/ style of lettering are the same. 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, toilet bowls, water faucet spout, shower faucet extensions, wash basins, bowls, bathtubs, shower fittings etc., confusion and deception on the part of the purchasing public as to the true owner or origin of the goods is a likely. The evidence shows that the Opposer sells its KEUCO products, advertises, and is accessible online through its Facebook, and webpage.⁵

The Opposer showed that it adopted and originated the mark KUECO. Thus, 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 Agreement") when the IP Code took into force and effect on 1 January 1998.⁶ 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)

⁵ Exhibit "D"; "F"- "K"

⁶ See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)

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.

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.⁷

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.

More importantly, "KEUCO" is also Opposer's company name, KEUCO GMBH & Co. Kg. or trade name. A corporate name is protected from unauthorized appropriation. The Supreme Court in *Philips Export B.V. v. Court of Appeals*⁸, 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).

⁷*Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

⁸G.R. No. 96161 February 21, 1992

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-013533 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, 28 JUN 2017



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