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THIRD DIVISION

[G.R. No. 209843, March 25, 2015]

TAIWAN KOLIN CORPORATION, LTD., PETITIONER, VS. KOLIN ELECTRONICS CO., INC., RESPONDENT.

D E C I S I O N

VELASCO JR., J.:

Nature of the Case

Before the Court is a petition for review under Rule 45 of the Rules of Court interposed by petitioner Taiwan Kolin Corporation, Ltd. (Taiwan Kolin), assailing the April 30, 2013 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 122565 and its subsequent November 6, 2013 Resolution.[2] The assailed issuances effectively denied petitioner's trademark application for the use of "KOLIN" on its television and DVD players.

The Facts

On February 29, 1996, Taiwan Kolin filed with the Intellectual Property Office (IPO), then Bureau of Patents, Trademarks, and Technology Transfer, a trademark application, docketed as Application No. 4-1996-106310, for the use of "KOLIN" on a combination of goods, including colored televisions, refrigerators, window-type and split-type air conditioners, electric fans and water dispensers. Said goods allegedly fall under Classes 9, 11, and 21 of the Nice Classification (NCL).

Application No. 4-1996-106310 would eventually be considered abandoned for Taiwan Kolin's failure to respond to IPO's Paper No. 5 requiring it to elect one class of good for its coverage. However, the same application was subsequently revived through Application Serial No. 4-2002-011002,[3] with petitioner electing Class 9 as the subject of its application, particularly: television sets, cassette recorder, VCD Amplifiers, camcorders and other audio/video electronic equipment, flat iron, vacuum cleaners, cordless handsets, videophones, facsimile machines, teleprinters, cellular phones and automatic goods vending machine. The application would in time be duly published.[4]

On July 13, 2006, respondent Kolin Electronics Co., Inc. (Kolin Electronics) opposed petitioner's revived application, docketed as Inter Partes Case No. 14-2006-00096. As argued, the mark Taiwan Kolin seeks to register is identical, if not confusingly similar, with its "KOLIN" mark registered on November 23, 2003, covering the following products under Class 9 of the NCL: automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC.[5]

To digress a bit, Kolin Electronics' "KOLIN" registration was, as it turns out, the subject of a prior legal dispute between the parties in Inter Partes Case No. 14-1998-00050 before the IPO. In the said case, Kolin Electronics' own application was opposed by Taiwan Kolin, being, as Taiwan Kolin claimed, the prior registrant and user of the "KOLIN" trademark, having registered the same in Taipei, Taiwan on December 1, 1988. The Bureau of Legal Affairs of the IPO (BLA-IPO), however, did not accord priority right to Taiwan Kolin's Taipei registration absent evidence to prove that it has already used the said mark in the Philippines as early as 1988. On appeal, the IPO Director General affirmed the BLA-IPO's Decision. Taiwan Kolin elevated the case to the CA, but without injunctive relief, Kolin Electronics was able to register the "KOLIN" trademark on November 23, 2003 for its products.[6] Subsequently, the CA, on July 31, 2006, affirmed[7] the Decision of the Director General.

In answer to respondent's opposition in Inter Partes Case No. 14-2006-00096, petitioner argued that it should be accorded the benefits of a foreign-registered mark under Secs. 3 and 131.1 of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code);[8] that it has already registered the "KOLIN" mark in the People's Republic of China, Malaysia and Vietnam, all of which are parties to the Paris Convention for the Protection of Industrial Property (Paris Convention) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);and that benefits accorded to a well-known mark should be accorded to petitioner.[9]

Ruling of the BLA-IPO

By Decision[10] dated August 16, 2007, the BLA-IPO denied petitioner's application disposing as follows:

> In view of all the foregoing, the instant Opposition is as, it is hereby **SUSTAINED**. Accordingly, application bearing Serial No. 4-1996-106310 for the mark **"KOLIN"** filed in the name of TAIWAN KOLIN., LTD. on February 29, 1996 for goods falling under Class 09 of the International Classification of Goods such as cassette recorder, VCD, woofer, amplifiers, camcorders and other audio/video electronic equipment, flat iron, vacuum cleaners, cordless handsets, videophones, facsimile machines, teleprinters, cellular phones, automatic goods vending machines and other electronic equipment is hereby **REJECTED**.
>
> Let the file wrapper of **"KOLIN"**, subject of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.
>
> **SO ORDERED**.

Citing Sec. 123(d) of the IP Code,[11] the BLA-IPO held that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor in respect of the same or closely-related goods. Accordingly, respondent, as the registered owner of the mark "KOLIN" for goods falling under Class 9 of the NCL,

should then be protected against anyone who impinges on its right, including petitioner who seeks to register an identical mark to be used on goods also belonging to Class 9 of the NCL.[12] The BLA-IPO also noted that there was proof of actual confusion in the form of consumers writing numerous e-mails to respondent asking for information, service, and complaints about petitioner's products.[13]

Petitioner moved for reconsideration but the same was denied on January 26, 2009 for lack of merit.[14] Thus, petitioner appealed the above Decision to the Office of the Director General of the IPO.

Ruling of the IPO Director General

On November 23, 2011, the IPO Director General rendered a Decision[15] reversing that of the BLA-IPO in the following wise:

> Wherefore, premises considered, the appeal is hereby GRANTED. The Appellant's Trademark Application No. 4-1996-106310 is hereby GIVEN DUE COURSE subject to the use limitation or restriction for the goods "television and DVD player". Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.
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> SO ORDERED.

In so ruling, the IPO Director General ratiocinated that product classification alone cannot serve as the decisive factor in the resolution of whether or not the goods are related and that emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics. As held, the mere fact that one person has adopted and used a particular trademark for his goods does not prevent the adoption and use of the same trademark by others on articles of a different description.[16]

Aggrieved, respondent elevated the case to the CA.

Ruling of the Court of Appeals

In its assailed Decision, the CA found for Kolin Electronics, on the strength of the following premises: (a) the mark sought to be registered by Taiwan Kolin is confusingly similar to the one already registered in favor of Kolin Electronics; (b) there are no other designs, special shape or easily identifiable earmarks that would differentiate the products of both competing companies;[17] and (c) the intertwined use of television sets with amplifier, booster and voltage regulator bolstered the fact that televisions can be considered as within the normal expansion of Kolin Electronics,[18] and is thereby deemed covered by its trademark as explicitly protected under Sec. 138[19] of the IP Code.[20] Resultantly, the CA granted

respondent's appeal thusly:

> **WHEREFORE**, the appeal is **GRANTED.** The November 23, 2011 Decision of the Director General of the Intellectual Property Office in Inter Partes Case No. 14-2006-0096 is **REVERSED** and **SET ASIDE.** The September 17, 2007 Decision of the Bureau of Legal Affairs of the same office is **REINSTATED.**
>
> **SO ORDERED**.

Petitioner moved for reconsideration only to be denied by the CA through its equally assailed November 6, 2013 Resolution. Hence, the instant recourse.

The Issue

The primordial issue to be resolved boils down to whether or not petitioner is entitled to its trademark registration of "KOLIN" over its specific goods of television sets and DVD players. Petitioner postulates, in the main, that its goods are not closely related to those of Kolin Electronics. On the other hand, respondent hinges its case on the CA's findings that its and petitioner's products are closely-related. Thus, granting petitioner's application for trademark registration, according to respondent, would cause confusion as to the public.

The Court's Ruling

The petition is impressed with merit.

Identical marks may be registered for products from the same classification

To bolster its opposition against petitioner's application to register trademark "KOLIN," respondent maintains that the element of mark identity argues against approval of such application,quoting the BLA IPO's ruling in this regard:[21]

> Indubitably, Respondent-Applicant's [herein petitioner] mark is identical to the registered mark of herein Opposer [herein respondent] and the identical mark is used on goods belonging to Class 9 to which Opposer's goods are also classified. On this point alone, Respondent-Applicant's application should already be denied.

The argument is specious.

The parties admit that their respective sets of goods belong to Class 9 of the NCL, which includes the following:[22]

> **Class 9**
>
> Scientific, nautical, surveying, photographic, cinematographic, optical,

weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus.

But mere uniformity in categorization, by itself, does not automatically preclude the registration of what appears to be an identical mark, if that be the case. In fact, this Court, in a long line of cases,has held that such circumstance does not necessarily result in any trademark infringement. The survey of jurisprudence cited in *Mighty Corporation v. E. & J Gallo Winery*[23] is enlightening on this point:

(a) in *Acoje Mining Co., Inc. vs. Director of Patents*,[24] we ordered the approval of Acoje Mining's application for registration of the trademark LOTUS for its soy sauce even though Philippine Refining Company had prior registration and use of such identical mark for its edible oil which, like soy sauce, also belonged to Class 47;
(b) in *Philippine Refining Co., Inc. vs. Ng Sam and Director of Patents,*[25] we upheld the Patent Director's registration of the same trademark CAMIA for Ng Sam's ham under Class 47, despite Philippine Refining Company's prior trademark registration and actual use of such mark on its lard, butter, cooking oil (all of which belonged to Class 47), abrasive detergents, polishing materials and soaps;
(c) in *Hickok Manufacturing Co., Inc. vs. Court of Appeals and Santos Lim Bun Liong*,[26] we dismissed Hickok's petition to cancel private respondent's HICKOK trademark registration for its Marikina shoes as against petitioner's earlier registration of the same trademark for handkerchiefs, briefs, belts and wallets.

Verily, whether or not the products covered by the trademark sought to be registered by Taiwan Kolin, on the one hand, and those covered by the prior issued certificate of registration in favor of Kolin Electronics, on the other, fall under the same categories in the NCL is not the sole and decisive factor in determining a possible violation of Kolin Electronics' intellectual property right should petitioner's application be granted. It is hornbook doctrine, as held in the above-cited cases, that emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics. The mere fact that one person has adopted and used a trademark on his goods would not, without more, prevent the adoption and use of the same trademark by others on unrelated articles of a different kind.[27]

The CA erred in denying petitioner's registration application