



Republic of the Philippines  
**SUPREME COURT**  
Manila

**THIRD DIVISION**

**TAIWAN KOLIN  
CORPORATION, LTD.,**

**G.R. No. 209843**

Petitioner,

Present:

- versus -

VELASCO, JR., *J.*, Chairperson,  
PERALTA,  
VILLARAMA, JR.,  
REYES,  
JARDELEZA, *JJ.*

**KOLIN ELECTRONICS CO.,  
INC.,**

Respondent.

Promulgated:

March 25, 2015

X-----*[Signature]*-----X

**DECISION**

**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<sup>1</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 122565 and its subsequent November 6, 2013 Resolution.<sup>2</sup> 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).

<sup>1</sup> *Rollo*, pp. 47-58. Penned by Associate Justice Pedro B. Corales and concurred in by Associate Justices Sesonando E. Villon and Florito S. Macalino.

<sup>2</sup> *Id.* at 62-63.



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,<sup>3</sup> 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.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup> Subsequently, the CA, on July 31, 2006, affirmed<sup>7</sup> 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);<sup>8</sup> that it has already registered the "KOLIN" mark in the People's

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<sup>3</sup> Filed on December 27, 2002.

<sup>4</sup> *Rollo*, p. 49.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 49-50.

<sup>7</sup> *Id.* at 50; citing the Motion for Reconsideration filed by Taiwan Kolin before the CA in CA-G.R. SP No. 80641 entitled *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics Co., Inc.*, CA *rollo*, pp. 854-868.

<sup>8</sup> **Section 3. International Conventions and Reciprocity.** - Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the

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.<sup>9</sup>

### **Ruling of the BLA-IPO**

By Decision<sup>10</sup> 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,<sup>11</sup> 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.<sup>12</sup> 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.<sup>13</sup>

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Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act. (n)

**Section 131. Priority Right.** - 131.1. An application for registration of a mark filed in the Philippines by a person referred to in Section 3, and who previously duly filed an application for registration of the same mark in one of those countries, shall be considered as filed as of the day the application was first filed in the foreign country.

<sup>9</sup> *Rollo*, p. 50.

<sup>10</sup> *Id.* at 119-133. Penned by Director Estrellita Beltran-Abelardo.

<sup>11</sup> **Section 123. Registrability.** - 123.1. A mark cannot be registered if it:

x x x x

(d) Is 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.

<sup>12</sup> *Rollo*, pp. 131-132.

<sup>13</sup> *Id.* at 51.

Petitioner moved for reconsideration but the same was denied on January 26, 2009 for lack of merit.<sup>14</sup> 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<sup>15</sup> 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.

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.<sup>16</sup>

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;<sup>17</sup> 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,<sup>18</sup> and is thereby deemed covered by its trademark as explicitly protected under Sec.

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<sup>14</sup> Id. at 135-137.

<sup>15</sup> Id. at 64-71. Penned by Director General Ricardo R. Blancaflor.

<sup>16</sup> Id. at 70.

<sup>17</sup> Id. at 55.

<sup>18</sup> Citing *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004, 437 SCRA 10.

138<sup>19</sup> of the IP Code.<sup>20</sup> 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:<sup>21</sup>

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.

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<sup>19</sup> Sec. 138. *Certificates of Registration*. – A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

<sup>20</sup> *Rollo*, p. 58.

<sup>21</sup> *Id.* at 1796.

The parties admit that their respective sets of goods belong to Class 9 of the NCL, which includes the following:<sup>22</sup>

### 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*<sup>23</sup> is enlightening on this point:

- (a) in *Acoje Mining Co., Inc. vs. Director of Patents*,<sup>24</sup> 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*,<sup>25</sup> 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*,<sup>26</sup> 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

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<sup>22</sup> See <[http://web2.wipo.int/nicepub/edition-20150101/classheadings/?pagination=no&lang=en&explanatory\\_notes=show](http://web2.wipo.int/nicepub/edition-20150101/classheadings/?pagination=no&lang=en&explanatory_notes=show)> (visited February 13, 2015).

<sup>23</sup> G.R. No. 154342, July 14, 2004, 434 SCRA 473, 505.

<sup>24</sup> No. L-28744, April 29, 1971, 38 SCRA 480.

<sup>25</sup> No. L-26676, July 30, 1982, 115 SCRA 472.

<sup>26</sup> No. L-44707, August 31, 1982, 116 SCRA 388.

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.<sup>27</sup>

### **The CA erred in denying petitioner's registration application**

Respondent next parlays the idea of relation between products as a factor militating against petitioner's application. Citing *Esso Standard Eastern, Inc. v. Court of Appeals*,<sup>28</sup> respondent argues that the goods covered by petitioner's application and those covered by its registration are actually related belonging as they do to the same class or have the same physical characteristics with reference to their form, composition, texture, or quality, or if they serve the same purpose. Respondent likewise draws parallelisms between the present controversy and the following cases:<sup>29</sup>

- (a) In *Arce & Sons, Inc. vs. Selecta Biscuit Company*,<sup>30</sup> biscuits were held related to milk because they were both food products;
- (b) In *Chua Che vs. Phil. Patents Office*,<sup>31</sup> soap and perfume, lipstick and nail polish are held to be similarly related because they are common household items;
- (c) In *Ang vs. Teodoro*,<sup>32</sup> the trademark "Ang Tibay" for shoes and slippers was disallowed to be used for shirts and pants because they belong to the same general class of goods; and
- (d) In *Khe vs. Lever Bros. Co.*,<sup>33</sup> soap and pomade, although non-competitive, were held to be similar or belong to the same class, since both are toilet articles.

Respondent avers that Kolin Electronics' and Taiwan Kolin's products are closely-related not only because both fall under Class 9 of the NCL, but mainly because they both relate to electronic products, instruments, apparatus, or appliances.<sup>34</sup> Pushing the point, respondent would argue that Taiwan Kolin and Kolin Electronics' goods are inherently similar in that they are all plugged into electric sockets and perform a useful function.<sup>35</sup> Furthermore, respondent echoes the appellate court's ratiocination in denying petitioner's application, viz:<sup>36</sup>

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<sup>27</sup> *Hickok Manufacturing Co., Inc. v. Court of Appeals and Santos Lim Bun Liong*, No. L-44707, August 31, 1982, 116 SCRA 388, 390.

<sup>28</sup> No. L-29971, August 31, 1982, 116 SCRA 336.

<sup>29</sup> *Rollo*, pp. 1801-1802.

<sup>30</sup> No. L-14761, January 28, 1961, 1 SCRA 253.

<sup>31</sup> No. L-18337, January 30, 1965, 13 SCRA 67.

<sup>32</sup> 74 Phil. 50 (1942).

<sup>33</sup> 49 O.G. 3891 (1941).

<sup>34</sup> *Rollo*, p. 1802.

<sup>35</sup> *Id.* at 1803.

<sup>36</sup> *Id.* at 1798-1799.

Significantly, Kolin Electronics' goods (automatic voltage regulator; converter; recharger; stereo booster; AC-DC regulated power supply; step-down transformer; and PA amplified AC-DC) and Taiwan Kolin's television sets and DVD players are both classified under class 9 of the NICE agreement. At first glance, it is also evident that all these goods are generally described as electrical devices. x x x [T]he goods of both Kolin Electronics and Taiwan Kolin will inevitably be introduced to the public as "KOLIN" products and will be offered for sale in the same channels of trade. Contrary to Taiwan Kolin's claim, power supply as well as audio and stereo equipment like booster and amplifier are not only sold in hardware and electrical shops. These products are commonly found in appliance stores alongside television sets and DVD players. With the present trend in today's entertainment of having a home theater system, it is not unlikely to see a stereo booster, amplifier and automatic voltage regulator displayed together with the television sets and DVD players. With the intertwined use of these products bearing the identical "KOLIN" mark, the ordinary intelligent consumer would likely assume that they are produced by the same manufacturer.

**In sum, the intertwined use, the same classification of the products as class 9 under the NICE Agreement, and the fact that they generally flow through the same channel of trade clearly establish that Taiwan Kolin's television sets and DVD players are closely related to Kolin Electronics' goods.** As correctly pointed out by the BLA-IPO, allowing **Taiwan Kolin's registration would only confuse consumers** as to the origin of the products they intend to purchase. Accordingly, protection should be afforded to Kolin Electronics, as the registered owner of the "KOLIN" trademark.<sup>37</sup> (emphasis added)

The CA's approach and reasoning to arrive at the assailed holding that the approval of petitioner's application is likely to cause confusion or deceive fail to persuade.

**a. The products covered by petitioner's application and respondent's registration are unrelated**

A certificate of trademark registration confers upon the trademark owner the exclusive right to sue those who have adopted a similar mark not only in connection with the goods or services specified in the certificate, but also with those that are related thereto.<sup>38</sup>

In resolving one of the pivotal issues in this case—whether or not the products of the parties involved are related—the doctrine in *Mighty Corporation* is authoritative. There, the Court held that the goods should be tested against several factors before arriving at a sound conclusion on the question of relatedness. Among these are:

- (a) the business (and its location) to which the goods belong;
- (b) the class of product to which the goods belong;

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<sup>37</sup> See also *rollo*, pp. 56-57.

<sup>38</sup> Id. at 69; citing *Esso Standard Eastern, Inc. v. Court of Appeals*, supra note 28.



- (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, 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.<sup>39</sup>

As mentioned, the classification of the products under the NCL is merely part and parcel of the factors to be considered in ascertaining whether the goods are related. It is not sufficient to state that the goods involved herein are electronic products under Class 9 in order to establish relatedness between the goods, for this only accounts for one of many considerations enumerated in *Mighty Corporation*. In this case, credence is accorded to petitioner's assertions that:<sup>40</sup>

- a. Taiwan Kolin's goods are classified as home appliances as opposed to Kolin Electronics' goods which are power supply and audio equipment accessories;
- b. Taiwan Kolin's television sets and DVD players perform distinct function and purpose from Kolin Electronics' power supply and audio equipment; and
- c. Taiwan Kolin sells and distributes its various home appliance products on wholesale and to accredited dealers, whereas Kolin Electronics' goods are sold and flow through electrical and hardware stores.

Clearly then, it was erroneous for respondent to assume over the CA to conclude that all electronic products are related and that the coverage of one electronic product necessarily precludes the registration of a similar mark over another. In this digital age wherein electronic products have not only diversified by leaps and bounds, and are geared towards interoperability, it is difficult to assert readily, as respondent simplistically did, that all devices that require plugging into sockets are necessarily related goods.

It bears to stress at this point that the list of products included in Class 9<sup>41</sup> can be sub-categorized into five (5) classifications, namely: (1) apparatus and instruments for scientific or research purposes, (2) information

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<sup>39</sup> Supra note 23, at 510-511.

<sup>40</sup> *Rollo*, pp. 31-32.

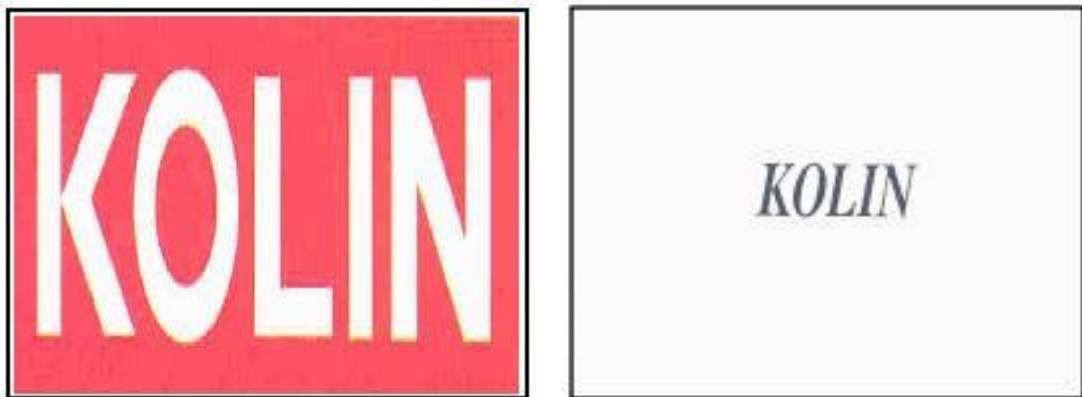
<sup>41</sup> Supra note 22.

technology and audiovisual equipment, (3) apparatus and devices for controlling the distribution and use of electricity, (4) optical apparatus and instruments, and (5) safety equipment.<sup>42</sup> From this sub-classification, it becomes apparent that petitioner's products, i.e., televisions and DVD players, belong to audiovisual equipment, while that of respondent, consisting of automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC, generally fall under devices for controlling the distribution and use of electricity.

**b. The ordinarily intelligent buyer is not likely to be confused**

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to another, no rigid set rules can plausibly be formulated. Each case must be decided on its merits, with due regard to the goods or services involved, the usual purchaser's character and attitude, among others. In such cases, even more than in any other litigation, precedent must be studied in the light of the facts of a particular case. That is the reason why in trademark cases, jurisprudential precedents should be applied only to a case if they are specifically in point.<sup>43</sup>

For a clearer perspective and as matter of record, the following image on the left<sup>44</sup> is the trademark applied for by petitioner, while the image juxtaposed to its right<sup>45</sup> is the trademark registered by respondent:



While both competing marks refer to the word "KOLIN" written in upper case letters and in bold font, the Court at once notes the distinct visual and aural differences between them: Kolin Electronics' mark is italicized

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<sup>42</sup> See <[http://web2.wipo.int/nicepub/edition-20150101/information\\_files/class/9/?lang=en](http://web2.wipo.int/nicepub/edition-20150101/information_files/class/9/?lang=en)> (visited February 18, 2015).

<sup>43</sup> *Diaz v. People*, G.R. No. 180677, February 18, 2013, 691 SCRA 139, 153; citing *McDonald's Corporation v. Macjoy Fastfood Corporation*, G.R. No. 116155, February 2, 2007, 514 SCRA 95, 107.

<sup>44</sup> See <<http://onlineservices.ipophil.gov.ph/ipophilsearch/ShowImage.ashx?id=21367d64b3a5-787c-419f-b6ad-d9c0e7501e8d42007d64b3a5-787c-419f-b6ad-d9c0e7501e8d20110027d64b3a5-787c-419f-b6ad-d9c0e7501e8d>> (visited February 16, 2015).

<sup>45</sup> See <<http://onlineservices.ipophil.gov.ph/ipophilsearch/ShowImage.ashx?id=2136871630eb-85f2-40e8-ad03-cf4b80943fd04199871630eb-85f2-40e8-ad03-cf4b80943fd03087497871630eb-85f2-40e8-ad03-cf4b80943fd0>> (visited February 16, 2015).

and colored black while that of Taiwan Kolin is white in pantone red color background. The differing features between the two, though they may appear minimal, are sufficient to distinguish one brand from the other.

It cannot be stressed enough that the products involved in the case at bar are, generally speaking, various kinds of electronic products. These are not ordinary consumable household items, like catsup, soy sauce or soap which are of minimal cost.<sup>46</sup> The products of the contending parties are relatively luxury items not easily considered affordable. Accordingly, the casual buyer is predisposed to be more cautious and discriminating in and would prefer to mull over his purchase. Confusion and deception, then, is less likely.<sup>47</sup> As further elucidated in *Del Monte Corporation v. Court of Appeals*:<sup>48</sup>

x x x Among these, what essentially determines the attitudes of the purchaser, specifically his inclination to be cautious, is the cost of the goods. To be sure, a person who buys a box of candies will not exercise as much care as one who buys an expensive watch. As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. **Expensive and valuable items are normally bought only after deliberate, comparative and analytical investigation. But mass products, low priced articles in wide use, and matters of everyday purchase requiring frequent replacement are bought by the casual consumer without great care** x x x. (emphasis added)

Respondent has made much reliance on *Arce & Sons, Chua Che, Ang, and Khe*, oblivious that they involved common household items—i.e., biscuits and milk, cosmetics, clothes, and toilet articles, respectively—whereas the extant case involves luxury items not regularly and inexpensively purchased by the consuming public. In accord with common empirical experience, the useful lives of televisions and DVD players last for about five (5) years, minimum, making replacement purchases very infrequent. The same goes true with converters and regulators that are seldom replaced despite the acquisition of new equipment to be plugged onto it. In addition, the amount the buyer would be parting with cannot be deemed minimal considering that the price of televisions or DVD players can exceed today's monthly minimum wage. In light of these circumstances, it is then expected that the ordinary intelligent buyer would be more discerning when it comes to deciding which electronic product they are going to purchase, and it is this standard which this Court applies herein in determining the likelihood of confusion should petitioner's application be granted.

To be sure, the extant case is reminiscent of *Emerald Garment Manufacturing Corporation v. Court of Appeals*,<sup>49</sup> wherein the opposing

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<sup>46</sup> *Diaz v. People*, supra note 43, at 154; citing *Emerald Garment Manufacturing Corporation v. Court of Appeals*, G.R. No. 100098, December 29, 1995, 251 SCRA 600.

<sup>47</sup> *Id.*

<sup>48</sup> No. L-78325, January 25, 1990, 181 SCRA 410, 419.

<sup>49</sup> Supra note 46.

trademarks are that of Emerald Garment Manufacturing Corporation's "Stylistic Mr. Lee" and H.D. Lee's "LEE." In the said case, the appellate court affirmed the decision of the Director of Patents denying Emerald Garment's application for registration due to confusing similarity with H.D. Lee's trademark. This Court, however, was of a different beat and ruled that there is no confusing similarity between the marks, given that the products covered by the trademark, i.e., jeans, were, at that time, considered pricey, typically purchased by intelligent buyers familiar with the products and are more circumspect, and, therefore, would not easily be deceived. As held:

Finally, in line with the foregoing discussions, more credit should be given to the "ordinary purchaser." Cast in this particular controversy, the ordinary purchaser is not the "completely unwary consumer" but is the "**ordinarily intelligent buyer**" considering the type of product involved.

The definition laid down in *Dy Buncio v. Tan Tiao Bok*<sup>50</sup> is better suited to the present case. There, the "ordinary purchaser" was defined as one "**accustomed to buy, and therefore to some extent familiar with, the goods in question.** The test of fraudulent simulation is to be found in the likelihood of the deception of some persons in some measure acquainted with an established design and desirous of purchasing the commodity with which that design has been associated. The test is not found in the deception, or the possibility of deception, of the person who knows nothing about the design which has been counterfeited, and who must be indifferent between that and the other. **The simulation, in order to be objectionable, must be such as appears likely to mislead the ordinary intelligent buyer who has a need to supply and is familiar with the article that he seeks to purchase.**"<sup>51</sup> (emphasis added)

Consistent with the above ruling, this Court finds that the differences between the two marks, subtle as they may be, are sufficient to prevent any confusion that may ensue should petitioner's trademark application be granted. As held in *Esso Standard Eastern, Inc.*:<sup>52</sup>

Respondent court correctly ruled that considering the general appearances of each mark as a whole, the possibility of any confusion is unlikely. A comparison of the labels of the samples of the goods submitted by the parties shows a great many differences on the trademarks used. As pointed out by respondent court in its appealed decision, "(A) witness for the plaintiff, Mr. Buhay, admitted that the color of the 'ESSO' used by the plaintiff for the oval design where the blue word ESSO is contained is the distinct and unique kind of blue. In his answer to the trial court's question, Mr. Buhay informed the court that the plaintiff never used its trademark on any product where the combination of colors is similar to the label of the Esso cigarettes," and "Another witness for the plaintiff, Mr. Tengco, testified that generally, the plaintiff's trademark comes all in either red, white, blue or any combination of the three colors. It is to be pointed out that not even a shade of these colors appears on the trademark of the appellant's cigarette. The only color that the appellant uses in its trademark is green."

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<sup>50</sup> 42 Phil. 190 (1921).

<sup>51</sup> *Emerald Garment Manufacturing Corporation v. Court of Appeals*, supra note 46, at 617.

<sup>52</sup> Supra note 28, at 345; citations omitted.

Even the lower court, which ruled initially for petitioner, found that a “noticeable difference between the brand ESSO being used by the defendants and the trademark ESSO of the plaintiff is that the former has a rectangular background, while in that of the plaintiff the word ESSO is enclosed in an oval background.”

All told, We are convinced that petitioner’s trademark registration not only covers unrelated good, but is also incapable of deceiving the ordinary intelligent buyer. The ordinary purchaser must be thought of as having, and credited with, at least a modicum of intelligence to be able to see the differences between the two trademarks in question.<sup>53</sup>

### Questions of fact may still be entertained

On a final note, the policy according factual findings of courts *a quo* great respect, if not finality, is not binding where they have overlooked, misapprehended, or misapplied any fact or circumstance of weight and substance.<sup>54</sup> So it must be here; the nature of the products involved materially affects the outcome of the instant case. A reversal of the appellate court’s Decision is then in order.

**WHEREFORE**, in view of the foregoing, the petition is hereby **GRANTED**. The Decision and the Resolution of the Court of Appeals in CA-G.R. SP No. 122565, dated April 30, 2013 and November 6, 2013, respectively, are hereby **REVERSED** and **SET ASIDE**. Accordingly, the Decision of the Intellectual Property Office Director General in Inter Partes Case No. 14-2006-00096, dated November 23, 2011, is hereby **REINSTATED**.

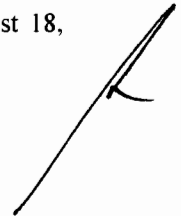
**SO ORDERED.**

  
**PRESBITERO J. VELASCO, JR.**  
Associate Justice

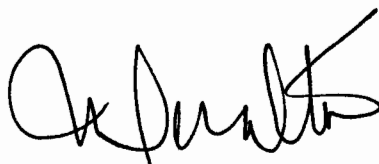
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<sup>53</sup> *Fruit of the Loom, Inc. v. Court of Appeals*, No. L-32747, November 29, 1984, 133 SCRA 405, 411.

<sup>54</sup> *Development Bank of the Philippines v. Traders Royal Bank*, G.R. No. 171982, August 18, 2010, 628 SCRA 404, 413-414.



WE CONCUR:



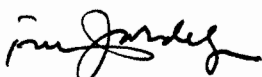
**DIOSDADO M. PERALTA**  
Associate Justice



**MARTIN S. VILLARAMA, JR.**  
Associate Justice



**BIENVENIDO L. REYES**  
Associate Justice



**FRANCIS H. JARDELEZA**  
Associate Justice

**ATTESTATION**


I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARIA LOURDES P. A. SERENO**  
Chief Justice