



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

**SECOND DIVISION**

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

**G.R. No. 221347**

*Petitioner,*

- versus -

**TAIWAN KOLIN CORP. LTD.,**  
*Respondent.*

X ----- X

**TAIWAN KOLIN CORP. LTD.,**  
represented by **KOLIN**  
**PHILIPPINES**  
**INTERNATIONAL, INC.,**  
*Petitioner,*

**G.R. Nos. 221360-61**

Present:

**PERLAS-BERNABE, S.A.J.,**  
*Chairperson,*  
**HERNANDO,**  
**ZALAMEDA,\***  
**GAERLAN,\*\*** and  
**DIMAAMPAO,\*\* JJ.**

- versus -

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

Promulgated:

**DEC 01 2021**

*[Signature]*

X-----X

**DECISION**

\* Designated as additional Member per November 15, 2021 raffle vice J. Inting who recused himself; his sister, J. Socorro B. Inting, had prior participation in the Court of Appeals.  
\*\* On official leave.

**HERNANDO, J.:**

The purpose of a trademark is to point out distinctly the origin or ownership of the goods or services to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>1</sup> In today's internet-wired market where the online sale and purchase of goods and services is commonplace, domain names not only serve to identify an address on the internet which leads to a website,<sup>2</sup> but also perform the function of trademarks in the traditional modes of business.<sup>3</sup>

Consumers have come to rely on domain names to identify the desired source of a product or service so they can obtain information to help them decide whether to purchase the product or service.<sup>4</sup> Thus, the public frequently expects that a website consisting of or encompassing a trademark used in the physical world is sponsored by or associated with the owner of that trademark, and readily use domain names as a means of finding goods and services online.<sup>5</sup>

To protect the goodwill and reputation of their business in the online sphere, proprietors of goods and services have opted to register their domain names as trademarks and to secure protection accorded to trademark owners under Republic Act No. (RA) 8293, or the Intellectual Property Code of the

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<sup>1</sup> *Ecole de Cuisine Manille, Inc. v. Renaud Cointreau & Cie*, 710 Phil. 305-316 (2013), citing *Mirpuri v. Court of Appeals*, 376 Phil. 628 (1999).

<sup>2</sup> A domain name is defined as a unique address of a computer on the internet, made up of three parts: (1) name of the entity, followed by (2) type of the entity, followed by, if located outside the US, (3) entity's geographical location. Domain names provide an easy way to remember internet address which is translated into its numeric address (IP address) by the domain name system. Each website has a domain name that serves as an address, which is used to access the website (*W Land Holding, Inc. v. Starwood Hotels and Resorts Worldwide, Inc.*, 822 Phil. 23 (2017), citing <[https://techterms.com/domain name](https://techterms.com/domain%20name)> In general, a domain name is comprised of a second-level domain, a "dot," and a top-level domain. The wording to the left of the "dot" is the second-level domain, and the wording to the right of the "dot" is the TLD. (TMEP, SECTION 1215.01.) For example, in the domain name "[www.kolin.ph](http://www.kolin.ph)", "KOLIN" is a second-level domain while the "com" is a top-level domain.

A specific web site is most easily located by using its domain name. Upon entering a domain name into the web browser, the corresponding web site will quickly appear on the computer screen. Sometimes, however, a Web surfer will not know the domain name of the site he is looking for, whereupon he has two principal options: trying to guess the domain name, by typing the company name or trademark followed by a ".com" or some other top level domain, or seeking the assistance of an Internet "search engine.", which look for keywords in places such as domain names, actual text on the web page, and metatags. (*Brookfield Communications, Inc. v. West Coast Entertainment Corporation*, 174 F.3d 1036, 1044 (9th Cir. 1999). See also *Intermatic Inc. v. Toeppen*, 40 U.S.P.Q.2d (BNA) 1412 (N.D. Ill. 1996).

<sup>3</sup> See Dal, Jon. Alternative Dispute Resolution Proceeding Case No. DSE2017-0038. Accessible at <https://www.wipo.int/amc/en/domains/decisions/text/2017/dse2017-0038.html>> Last Accessed on November 30, 2021.

<sup>4</sup> Id.

<sup>5</sup> Negre, Ferdinand M. *Trademark Law in a Knotshell: From Caves to Cyberspace*. 46 Ateneo L.J. 465, 486-487. Accessible at <<http://www.ateneolawjournal.com/Media/uploads/0de8b3ac08e90d27e455f172146a8617.pdf>> or <http://www.iplaw.ph/ip-views/Trademark-Law-From-Caves-to-cyberspace.html>> Last Accessed on November 30, 2021.

Philippines (IP Code).<sup>6</sup> It is thus inevitable that trademark principles will find application to domain names submitted for registration with the Intellectual Property Office (IPO),<sup>7</sup> such as the cases before Us.

The two Petitions for Review on *Certiorari*<sup>8</sup> before Us challenge the January 27, 2015 Decision<sup>9</sup> and November 4, 2015 Resolution<sup>10</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 122566 and CA-G.R. SP No. 122574. The CA upheld the IPO's denial of Taiwan Kolin Corporation Ltd.'s (Taiwan Kolin) Opposition<sup>11</sup> to Kolin Electronics Co., Inc.'s (KECI) Application<sup>12</sup> for trademark registration of its domain name "www.kolin.ph".

KECI is a domestic corporation engaged in the manufacture, assembly, and marketing of various electronic products since 1989 and is the registered owner of the "*KOLIN*" trademark for goods and services under Classes 9 and 35<sup>13</sup> of the International Classification of Goods and Services for the Purposes of Registrations of Marks (Nice Classification) under Certificate of Registration Nos. 4-1993-087497<sup>14</sup> and 4-2007-005421.<sup>15</sup>

Taiwan Kolin, represented herein by Kolin Philippines International Inc. (KPII), is a corporation duly organized and existing under the laws of Taiwan and engaged in the home appliance business, particularly in the manufacture, sale and distribution of television sets, air conditioners, washing machines, showcase refrigerators, rice cookers and other similar appliances and electrical products.<sup>16</sup> Taiwan Kolin has been using the **KOLIN** trademark for its home appliances since 1976.<sup>17</sup> Since 1996, Taiwan Kolin's products under the **KOLIN** brand have been made available in the Philippines.<sup>18</sup> Taiwan Kolin is the registered owner of the trademark **KOLIN** for several goods and

<sup>6</sup> Republic Act No. 8293, or the Intellectual Property Code of the Philippines, as amended. Approved on June 6, 1997.

<sup>7</sup> Supra note 3.

<sup>8</sup> *Rollo* (G.R. No. 221347), pp. 11-37; *Rollo* (G.R. Nos. 221360-61), pp. 33-63.

<sup>9</sup> *Rollo* (G.R. No. 221347), pp. 39-58. Penned by Associate Justice Noel G. Tijam (now a retired Member of this Court) and concurred in by Associate Justice Mario V. Lopez (now a Member of this Court) and Associate Justice Myra V. Garcia-Fernandez.

<sup>10</sup> Id. at 60-63.

<sup>11</sup> *CA rollo* (SP No. 122566), p. 244.

<sup>12</sup> *Rollo* (G.R. No. 221347), p. 41.

<sup>13</sup> Id. at 40-41.

<sup>14</sup> Id. at 64. KECI's registration for Class 9 covers the following: automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC.

<sup>15</sup> Id. at 40 and 65. KECI's registration for Class 35 is for the business of manufacturing, importing, assembling or selling electronic equipment or apparatus. Based on a perusal of the Philippine Trademark Database, KECI's registration for Nice Classification 35 has since been modified to cover Nice Classes 35 and 40. KECI's Certificate of Registration No. 4-2007-005421 has been renewed until December 22, 2028 and includes both Nice Classifications. The Philippine Trademark Database may be accessed in <<https://www3.wipo.int/branddb/ph/en/>>.

<sup>16</sup> Id. at 40.

<sup>17</sup> Id.

<sup>18</sup> Id.

services, including registrations under Classes 11 and 21 of the Nice Classification.<sup>19</sup>

### Previous Cases involving the “KOLIN” Mark:

To provide context to the present dispute, an overview of previous cases involving the “KOLIN” mark is in order.

On August 7, 1993, KECI filed an Application<sup>20</sup> with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) for the registration of the “KOLIN” mark covering electronic products under Class 9 of the Nice Classification, which Taiwan Kolin opposed.<sup>21</sup> The Bureau of Legal Affairs (BLA) denied<sup>22</sup> Taiwan Kolin’s opposition, prompting the latter to appeal<sup>23</sup> the BLA’s decision to the Court of Appeals (CA). In its July 31, 2006 Decision,<sup>24</sup> the CA in CA-G.R. SP No. 80641 ruled that KECI’s predecessor-in-interest and assignor has been actually using the “KOLIN” mark in business in the Philippines as early as February 17, 1989, prior to its filing for registration of the said mark in 1993.<sup>25</sup> On this score, the prevailing trademark law at the time, RA 166, considers prior use in the Philippines as the basis for priority right or registration right of a trademark or service mark. Thus, the CA upheld KECI’s registration of the “KOLIN” mark, vesting KECI with the exclusive right to use the same for automatic voltage regulators, converters, rechargers, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplifier AC-DC, and related goods thereto.<sup>26</sup> The CA’s July 31, 2006 Decision became final and executory on November 16, 2007.<sup>27</sup>

In 2015, the Court’s Third Division promulgated its Decision in *Taiwan Kolin Corporation Ltd. v. Kolin Electronics Co., Inc. (2015 Kolin case)*.<sup>28</sup> In the said case, the Court allowed the registration of the “KOLIN” mark for television sets and DVD players in favor of Taiwan Kolin, over KECI’s

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<sup>19</sup> The Philippine Trademark Database indicates that Taiwan Kolin’s registration for goods and services under Nice Class 11 (airconditioners, refrigerators, electric fans, window type airconditioners, package type airconditioners, ceiling mounted airconditioners, split type airconditioners, dehumidifier, washing machines, refrigerators, show case refrigerators, chest type freezers, upright freezers, beverage coolers, water chillers, household electric fans, industrial electric fans, rice cooker, stew cooker, microwave ovens, gas stoves, gas range, dish dryer, oven toaster, dishwashing machine, bottle sterilizer, electric air pot, water heater, grillers and roasters, coffee and tea makers, turbo broiler, juicemaker, blender, and other electrical appliances) was registered on October 11, 2017 under Certificate of Registration No. 11001 and shall be valid until October 11, 2027. Taiwan Kolin’s registration for water dispensers under Class 21 was registered on December 17, 2019 under Certificate of Registration No. 8596 and shall be valid under December 17, 2029. The Philippine Trademark Database may be accessed in <<https://www3.wipo.int/branddb/ph/en/>>.

<sup>20</sup> CA *rollo*, (S.P. No. 122566), p. 241.

<sup>21</sup> *Rollo* (G.R. No. 221347), p. 40.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 41.

<sup>24</sup> *Id.*

<sup>25</sup> CA *rollo*, (S.P. No. 122574), p. 882.

<sup>26</sup> *Rollo*, (G.R. No. 221347), pp. 89 – 113.

<sup>27</sup> *Id.* at 114.

<sup>28</sup> 757 Phil. 326-346 (2015).

objections that the mark which Taiwan Kolin seeks to register for the said goods is identical, if not confusingly similar, with KECI's "KOLIN" mark registered on November 23, 2003, covering the following products under Class 9 of the Nice Classification: automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC. In giving due course to Taiwan Kolin's application, the Court opined that the products covered by Taiwan Kolin's trademark application and KECI's registration under Class 9 are not related, and that there is no likelihood of confusion that would deceive the ordinary intelligent buyer between the two.<sup>29</sup>

In 2021, the Court *En Banc* promulgated its Decision in *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc. (2021 Kolin case)*<sup>30</sup> which denied the registration of KP II for television sets and DVD players under Class 9 of the Nice Classification. In so ruling, the Court *en banc* held that there is a resemblance between KECI's and KP II's marks, the goods covered by KECI's registration under Class 9 are related to the goods covered by KP II's, there is evidence of actual confusion between the two marks, and the goods covered by KP II's fall within the normal potential expansion of business of KECI. After the Court abandoned the use of product or service classification as a factor in determining relatedness or non-relatedness, it stressed that the *2015 Kolin case* does not apply as a precedent in the controversy in the 2021 Kolin case since the former did not comprehensively consider all the jurisprudential factors in determining relatedness and it included an inapposite discussion on subcategories in the Nice Classification as an additional basis for its conclusion on non-relatedness. In the 2021 Kolin case, the Court also highlighted that KECI was already declared as the owner of the **KOLIN** mark under the Trademark Law, and noted that the 2015 Kolin case merely gave KP II, as an instrumentality of Taiwan Kolin, the right to use the exact mark allowed to be registered in the *2015 Kolin case*, *i.e.*, the **KOLIN** design mark, not a blanket authority to use or register any and all figurative or stylized versions of the word "KOLIN".<sup>31</sup>

### The Antecedents:

On May 29, 2007, KECI filed a trademark application for registration of the "KOLIN" mark under Class 35 of the Nice Classification for use in the business of manufacturing, assembling, importing, and selling electronic equipment or apparatus. Taiwan Kolin and KP II did not oppose the said registration, and the mark was registered on December 22, 2008.<sup>32</sup>

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<sup>29</sup> Id. at 335.

<sup>30</sup> *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, G.R. No. 228165, February 9, 2021.

<sup>31</sup> Id.

<sup>32</sup> Id. at 41 and 65.

On August 16, 2007, KECI filed Trademark Application No. 20-2007-000009<sup>33</sup> for the mark “www.kolin.ph” under Class 35 for use in the business of manufacturing, assembling, importing, and selling electronic equipment or apparatus. The application was published in the IPO e-Gazette on January 11, 2008, and Taiwan Kolin was given four months or until May 10, 2008 to file an opposition thereto.<sup>34</sup>

On May 12, 2008, Taiwan Kolin filed an Opposition<sup>35</sup> to the said application on the following grounds that: 1) the application violates Section 123.1(d) of the IP Code which proscribes the registration of a mark identical with a registered mark belonging to a different proprietor with an earlier filing or priority date; 2) the registration of “www.kolin.ph” will cause grave and irreparable injury to Taiwan Kolin’s goodwill, reputation, and business using the KOLIN brand; 3) that the trademark application violates the rule in the Implementing Rules and Regulations (IRR) of the IP Code requiring a specific description of goods, business or services; and 4) that “www.kolin.ph” does not function as a mark.<sup>36</sup> Notably, the documents attached to Taiwan Kolin’s Opposition marked as “A” to “T” were all photocopies.<sup>37</sup>

#### **Ruling of the Bureau of Legal Affairs (BLA):**

In its July 16, 2008 Order,<sup>38</sup> the BLA dismissed Taiwan Kolin’s Opposition for failure to comply with the provisions of Sections 7.1 and 7.3. of Office Order No. 79, series of 2005, which amended the *Regulations on Inter Partes Proceedings (Inter Partes Regulations)* and required the attachment of originals or, in the case of public documents, certified true copies of the attached documents.<sup>39</sup> The dispositive portion of the BLA ruling reads:

**WHEREFORE**, for failure of the Opposer to comply with the provisions of Sections 7.1 and 7.3 of Office Order No. 79, series of 2005, this case is, as it is hereby **MOTU PROPRIO DISMISSED**. *Accordingly, Application No. 20-2007-000009 filed on August 16, 2007 by KOLIN ELECTRONICS CO., INC., for the registration of the trademark “WWW.KOLIN.PH” for “Class 35” as it is, hereby GIVEN DUE COURSE.*

Let the filewrapper subject matter of the above-captioned case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Order with a copy thereof to be furnished the Publication Division for information and to update its records.

**SO ORDERED.**<sup>40</sup>

<sup>33</sup> Id. at 41.

<sup>34</sup> Id. at 115.

<sup>35</sup> *CA rollo* (S.P. No. 122574), p. 101.

<sup>36</sup> *Rollo*, (G.R. No. 221347), pp. 119-120.

<sup>37</sup> Id. at 115-116.

<sup>38</sup> Id. at 115-116.

<sup>39</sup> Id.

<sup>40</sup> Id. at 116.

Taiwan Kolin moved for reconsideration<sup>41</sup> of the BLA's July 16, 2008 Order, attaching thereto most of the originals and/or certified true copies of its documentary exhibits and alleging that its subsequent submission constitutes substantial compliance.<sup>42</sup> The BLA denied the motion in its April 23, 2009 Resolution.<sup>43</sup>

Thus, Taiwan Kolin filed an appeal<sup>44</sup> with the IPO Director-General,<sup>45</sup> reiterating its arguments in opposing the registration of "www.kolin.ph". Moreover, it alleged that it was unable to attach the original copies of the documentary exhibits since it was set to simultaneously file two separate verified oppositions which use common documentary exhibits, and it deemed it prudent to first retain the original copies of the documentary exhibits and in the meantime attach to the verified oppositions the photocopies of these exhibits, with the end in view of presenting the original copies in the course of its proceedings. Moreover, Taiwan Kolin asserted that the *Inter Partes* Regulations allow the submission of the original copies of the documentary exhibits even after the filing of the opposition, and that the submission of the original copies of its documentary exhibits on motion for reconsideration should be allowed.<sup>46</sup>

### **Ruling of the IPO Director General:**

The IPO Director General denied Taiwan Kolin's appeal in a Decision<sup>47</sup> dated November 23, 2011, the dispositive portion of which reads:

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision and the records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED. <sup>48</sup>

In so ruling, the IPO Director General opined that the BLA correctly dismissed Taiwan Kolin's Opposition in view of its failure to attach the original documents, as required under the *Inter Partes* Regulations. The Director General stressed that the *Inter Partes* Regulations must be followed since these are indispensable to the prevention of needless delays and the orderly and speedy discharge of business, and may be relaxed only for the most persuasive of reasons, such as to relieve a litigant of an injustice not commensurate with

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<sup>41</sup> CA rollo, (S.P. No. 122574), p. 117.

<sup>42</sup> Rollo, (G.R. No. 221347), p. 42.

<sup>43</sup> CA rollo (S.P. No. 122574), p. 155.

<sup>44</sup> Id. at 158-189.

<sup>45</sup> Id.

<sup>46</sup> Id. at 169-188.

<sup>47</sup> Rollo (G.R. No. 221347), pp. 118-125.

<sup>48</sup> Id. at 125.

the degree of his thoughtlessness in not complying with the procedure described.<sup>49</sup>

The IPO Director General likewise observed that even if Taiwan Kolin's Opposition was allowed, the appeal was still not meritorious. Noting that the case involves the ownership of "KOLIN" which is the main feature of KECI's trademark application, the IPO Director General emphasized that KECI is already the registered owner of the "KOLIN" mark in Class 35 for the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus which breezed through registration without Taiwan Kolin or any of its subsidiaries opposing the same. Thus, Taiwan Kolin is estopped from assailing KECI's rights that come with the registration of KECI's "KOLIN" mark in Class 35. Citing Section 138 of the IP Code, the IPO Director General stressed that part of KECI's rights as the registered owner of the "KOLIN" mark in Class 35 necessarily includes the registration of the said mark as a domain name in Class 35, and that KECI has already prevailed against Taiwan Kolin's application or the registration of its mark under the same class.<sup>50</sup>

While the IPO Director General acknowledged Taiwan Kolin's own trademark applications and registrations for the "KOLIN" mark, he opined that the said applications and registrations refer to goods and services that are not related to KECI's trademark application for "www.kolin.ph". Thus, the IPO Director General clarified that the registration of "www.kolin.ph" in favor of KECI is limited to the services covered by KECI's trademark application, which is for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under Class 35 of the Nice Classification.<sup>51</sup>

### **Ruling of the Court of Appeals:**

In its January 27, 2015 Decision,<sup>52</sup> the CA affirmed the findings of the IPO Director General. The *fallo* of the CA's January 27, 2015 Decision reads:

**WHEREFORE**, both *Petitions for Review* under *Rule 43* are **DENIED**. The *Decision* dated November 23, 2011, issued by Ricardo R. Blancaflor, Director General of the Intellectual Property Office (IPO), in *Appeal No. 14-09-40*, entitled, *Taiwan Kolin Corp., Ltd. represented by herein Kolin Philippines International, Inc. vs. Kolin Electronics Co., Inc.*, is hereby **AFFIRMED**.

**SO ORDERED.**<sup>53</sup>

In so ruling, the CA reiterated that the *Inter Partes* Regulations require the submission of the originals or certified true copies of the supporting documents upon the filing of the Opposition. It observed that Taiwan Kolin's subsequent

<sup>49</sup> Id. at 123-124.

<sup>50</sup> Id. at 124.

<sup>51</sup> Id. at 125.

<sup>52</sup> Id. at 39-58.

<sup>53</sup> Id. at 58.

submission of most of the originals and/or certified true copies of its documentary exhibits in its motion for reconsideration with the BLA does not constitute substantial compliance with the *Inter Partes* Regulations. Moreover, the circumstances do not warrant the relaxation of the *Inter Partes* Regulations in favor of Taiwan Kolin.<sup>54</sup>

Anent the issue on overbreadth, the appellate court accorded credence to the BLA's expertise when it examined KECI's application and allowed the use of the domain name. The CA noted that KECI has the right to use the "KOLIN" mark under Class 35 by virtue of the Certificate of Registration issued to it on December 22, 2008, which constitutes *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the same. Moreover, the CA pointed out that contrary to Taiwan Kolin's assertions, its "KOLIN" mark is not an internationally well-known mark that would prevent KECI's registration of the domain name, "www.kolin.ph".<sup>55</sup>

On KECI's appeal regarding the IPO Director General's pronouncement that Taiwan Kolin's trademark for the KOLIN mark refers to goods or services not related to KECI's services covered by the Class 35 application and that the registration of "www.kolin.ph" is limited to the services covered by KECI's trademark application under Class 35, the CA stressed that the subject matter of the IPO Director General's Decision pertained only to KECI's Class 35 application in relation to the use of "www.kolin.ph" and did not involve any other kinds of registrations and applications. The CA likewise opined that KECI's right to use "www.kolin.ph" springs forth from its having been granted a certificate of registration for Class 35. Moreover, KECI's apprehension against the IPO Director General's pronouncement is more apparent than real, as KECI should give due deference to Taiwan Kolin's right over the "KOLIN" mark for Classes 11 and 21.

The CA emphasized that administrative agencies such as the IPO, by reason of their special knowledge and expertise over matters falling under their jurisdiction, are in a better position to pass judgment on the issue of KECI's usage of "www.kolin.ph" which is limited to services covered by its trademark application and falling under Class 35 of the Nice Classification. Thus, its findings of fact in this regard are generally accorded great respect if not finality, as long as they are supported by substantial evidence.<sup>56</sup>

Both parties moved for reconsideration<sup>57</sup> but were denied by the appellate court in its November 4, 2015 Resolution.<sup>58</sup> Hence, these Petitions.<sup>59</sup>

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<sup>54</sup> Id. at 39-58.

<sup>55</sup> Id. at 46-56.

<sup>56</sup> Id. at 56-57.

<sup>57</sup> Id. at 61.

<sup>58</sup> Id. at 60-63.

<sup>59</sup> *Supra* note 8.

**G.R. No. 221347 (*Kolin Electronics Co., Inc. v. Taiwan Kolin Corporation Ltd.*):**

KECI assails the pronouncement of the IPO Director General that: (a) Taiwan Kolin's applications and registrations for the "KOLIN" mark referred to goods and services that are not related to KECI's trademark application for "www.kolin.ph"; and that (a) the registration of "www.kolin.ph" in favor of KECI is limited to the services covered by KECI's trademark application, which is for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under Class 35 of the Nice Classification. According to KECI, the said erroneous pronouncement may have far-reaching consequences considering that the registration of "www.kolin.ph" in KECI's favor is not limited to the services covered by KECI's Class 35 application, but also includes goods and services similar to those in respect of which the trademark is registered whose use would result in a likelihood of confusion, as well as product and market areas that are the normal potential expansion of its business.<sup>60</sup> Moreover, KECI maintains that it is the first and prior user and registered owner of the "KOLIN" mark and the holder of a Class 35 Registration of the "KOLIN" mark; thus, as all goods and services under a particular class are related, the same class registration of another mark containing KOLIN as a dominant element should be granted in KECI's favor.<sup>61</sup>

In its Comment,<sup>62</sup> Taiwan Kolin asserts that the CA correctly limited KECI's registration to services covered by its trademark application under Class 35. Taiwan Kolin opines that KECI cannot validly raise questions of fact in the instant petition and assail the manner by which evidence has been evaluated by the IPO Director General and the CA. Moreover, Taiwan Kolin contends that the registration of "www.kolin.ph" in favor of KECI, whether limited to services covered under its Class 35 trademark application or otherwise, should not be allowed due to the fact that the same is identical with the mark "KOLIN" belonging to Taiwan Kolin, which have earlier filing or priority dates. Assuming that KECI is entitled to said registration, Taiwan Kolin asserts that the registration is limited for use in the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus. In particular, Taiwan Kolin stressed that the Court's ruling in *Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*<sup>63</sup> (*Dermaline*) did not contemplate a scenario whereby such expansion of business of a trademark applicant would encroach upon goods and services which are the subject of trademark applications and registrations which are filed or obtained earlier.<sup>64</sup>

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<sup>60</sup> *Rollo* (G.R. No. 221347), p. 26.

<sup>61</sup> *Id.* at 443-451, 455-456.

<sup>62</sup> *Rollo* (G.R. Nos. 221360-61), pp. 417-427.

<sup>63</sup> 642 Phil. 503 (2010).

<sup>64</sup> *Rollo* (G.R. Nos. 221360-61), pp. 418-424.

**G.R. Nos. 221360-61 (*Taiwan Kolin Corporation, Ltd., represented by Kolin Philippines International, Inc. v. Kolin Electronics Co., Inc.*)**

Taiwan Kolin maintains that the *Inter Partes* Regulations do not require the submission of original or certified true copies of the documentary exhibits together with the opposition, or prohibit an oppositor from subsequently complying with the requirement on the submission of the original supporting documents to the opposition after the filing of the same. It asserts that Section 7.1 of the *Inter Partes* Regulations merely requires that the opposition be “in due form,” which means being compliant with the following provisions of the *Inter Partes* Regulations, to the exclusion of the other provisions: (a) Rule 3, Section 3; (b) Rule 4, Section 2; (c) Rule 5, Section 3; (d) Rule 6, Section 9; (e) Rule 7, Sections 3 and 5; and (f) Rule 8, Sections 3 and 4. Taiwan Kolin insists that to construe otherwise would be tantamount to adding another ground for dismissal after the *Inter Partes* Regulations have expressly confined its terms to those expressly mentioned, and failed to consider that certified or original supporting documents may be submitted at a later time.<sup>65</sup>

Taiwan Kolin likewise asserts that its failure to attach the originals and certified true copies of its supporting documents in its Opposition was due to justifiable reasons. Hence, its subsequent submission should be allowed by the BLA and the IPO Director General considering the BLA is empowered to relax the application of procedural rules and encouraged to give way to technicalities in order to serve the substantive ends of justice. It maintains that the instant case and another pending case had common documentary exhibits; thus, Taiwan Kolin found it more prudent to initially attach mere photocopies to its Opposition in both cases and to present the originals for comparison during the preliminary conference in each case. Moreover, Taiwan Kolin submits that some exhibits were not attached since they were in Taiwan. In any event, Taiwan Kolin asserts that any defect caused by attachment of the photocopies in the *Opposition* was cured by the subsequent submission of the originals and/or certified true copies in its Motion for Reconsideration.<sup>66</sup>

Taiwan Kolin further avers that KECI’s application for registration of “www.kolin.ph” suffers from overbreadth and generality since it is broad enough to cover line of goods covered by Taiwan Kolin’s trademark applications under Classes 9 and 11, in violation of Rule 417 of the IRR of the IP Code, which proscribes the use of broad terms in identifying the goods, business, and services.<sup>67</sup> Moreover, Taiwan Kolin maintains that KECI is not the first and prior user and registered owner of the “KOLIN” mark. It argues that Taiwan Kolin’s application for registration of the “KOLIN” mark

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<sup>65</sup> Id. at 43-47.

<sup>66</sup> Id. at 49-52.

<sup>67</sup> Id. at 53-54.

under Class 9 and KPII's application for goods falling under Class 35 precede the application sought by KECI for "www.kolin.ph"; thus, KECI is not entitled to the registration of "www.kolin.ph" in its favor, whether or not the same be limited to the services covered by its Class 35 Trademark Application.<sup>68</sup> In addition, it asserts that the registration of "www.kolin.ph" is barred under Section 123.1(E) of the IP Code.<sup>69</sup>

On the other hand, KECI argues that the CA did not err in upholding the rulings of both the BLA and IPO Director General which dismissed Taiwan Kolin's Opposition. KECI claims that findings of the BLA and the IPO Director General on the facts and the proper interpretation of its own procedural rules should be accorded great respect, if not finality, by the courts. Moreover, KECI avers that the *Inter Partes* Regulations clearly require the submission of original or certified true copies of the attachments to the Opposition and that Taiwan Kolin is merely attempting to vindicate itself by wrongly insisting that Section 7.1. of the *Inter Partes* Regulations does not require that the original or certified true copies of documentary evidence be attached to the verified Opposition. Moreover, KECI maintains that its application for the mark "www.kolin.ph" is neither overbroad nor violative of the trademark rule. KECI highlights that it is the first and prior user and registered owner of the "KOLIN" mark and a holder of a Class 35 registration. Thus, KECI's same class application for another mark with KOLIN as a dominant element must perforce be in favor of KECI.<sup>70</sup>

#### Issues:

The Court is called upon to resolve the following issues:

1. Whether Taiwan Kolin's failure to submit the original supporting documents in its Opposition against KECI's application for registration of "www.kolin.ph" warranted the outright dismissal of its Opposition;
2. Whether KECI has the right to register and use the mark "www.kolin.ph" consistent with its exclusive right to use the "KOLIN" mark in relation to the goods/services covered by Class 35; and
3. Whether the IPO Director General erred in ruling that (a) Taiwan Kolin's applications and registrations for the "KOLIN mark" refer to goods and services that are not related to KECI's trademark application for "www.kolin.ph"; and that (b) the registration of "www.kolin.ph" in favor of KECI is limited to the services covered by KECI's trademark application.<sup>71</sup>

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<sup>68</sup> Id. at 55-57

<sup>69</sup> Id. at 58-61 and 470-475.

<sup>70</sup> *Rollo* (G.R. No. 221347), pp. 396-411.

<sup>71</sup> Id. at 18.

### Our Ruling

The Petitions are denied for lack of merit.

**Taiwan Kolin's opposition was properly dismissed by the BLA. While the *Inter Partes* Regulations may be relaxed for meritorious cases and for compelling reasons, the relaxation of the rules is not warranted in the case at bench.**

Sections 7.1 and 7.3 of the *Inter Partes* Regulations are clear – the submission of documents and other requirements attached to the petition and opposition shall be filed with the Bureau *in their original or, in the case of public documents, certified copies thereof*. Otherwise, the petition or opposition shall be dismissed outright, to wit:

Section 7.1. The petition or **opposition, together with** the affidavits of witnesses and **originals of the documents and other requirements, shall be filed with the Bureau, provided, that in case of public documents, certified copies shall be allowed in lieu of originals.** The Bureau shall check if the petition or opposition is in due form as provided in the Regulations particularly Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4. For petition for cancellation of layout design (topography of integrated circuits), Rule 3, Section 3 applies as to the form and requirements. The affidavits, documents and other evidence shall be marked consecutively as “Exhibits” beginning with the letter “A”.

x x x x

Section 7.3. **If the petition or opposition is in the required form** and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the *Inter Partes* Case Number. **Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.** (Emphasis supplied)

It is undisputed that Taiwan Kolin failed to attach the originals or certified true copies of the supporting documents to its Opposition, which is required by the *Inter Partes* Regulations. The BLA was therefore correct in dismissing the opposition outright.

Taiwan Kolin maintains that the *Inter Partes* Regulations do not require original or certified true copies of the documentary exhibits to be filed together with the Notice of Opposition. It insists that the *Inter Partes* Regulations merely require that the Opposition be in due form to prevent its dismissal. It avers the Opposition is in due form if it complies with Section 7.1 – specifically Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4.

These assertions and truncated construction of the rules are misplaced, considering the clear language of the *Inter Partes* Regulations. The express enumeration of the said provisions do not relegate against the requirement under Section 7.1. to submit originals or certified true copies of the documentary exhibits. Non-compliance with the requirements under the said Section will result in outright dismissal of the case.

Taiwan Kolin also cites Section 8.3 of the *Inter Partes* Regulations which allows documentary exhibits to be submitted even after the Notice of Opposition has been filed, to bolster its claim that the originals or certified true copies of the supporting documents need not be filed with the Notice of Opposition.<sup>72</sup> This allegation is misleading and fails to interpret the *Inter Partes* Regulations in its entirety. It discounts the requirement under Section 7.1 that the Notice of Opposition must first be in due form. Read in its entirety, the *Inter Partes* Regulations only allow the submission of additional original documentary exhibits if the original or certified true copies of the exhibits were initially filed with the Notice of Opposition.

Moreover, the Court has consistently accorded great respect to the interpretation by administrative agencies of their own rules unless there is an error of law, abuse of power, lack of jurisdiction or grave abuse of discretion clearly conflicting with the letter and spirit of the law.<sup>73</sup> The *Inter Partes* Regulations were drafted by the IPO Director General pursuant to his authority under the IP Code.<sup>74</sup> The BLA and IPO Director General's interpretation, that Taiwan Kolin's failure to attach originals or certified true copies of the supporting documents warrants the outright dismissal of the Opposition under the *Inter Partes* Regulations, should thus be accorded due respect.

It is true that administrative or quasi-judicial bodies like the IPO's BLA are not bound by the technical rules of procedure in the adjudication of cases.<sup>75</sup> The BLA is not bound by strict technical rules of procedure and evidence but may adopt, in the absence of any applicable rule in the *Inter Partes* Regulations, such mode of proceedings consistent with the requirements of fair play and

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<sup>72</sup> *Rollo* (G.R. No. 221347), p. 400.

<sup>73</sup> *GMA Network, Inc. v. National Telecommunications Commission*, 818 Phil. 167, 183-184 (2017), citing *Eastern Telecommunications Philippines, Inc. v. International Communication Corporation*, 516 Phil. 518, 521 (2006).

<sup>74</sup> Section 10 of the IP Code provides:

Sec. 10. *The Bureau of Legal Affairs.* – The Bureau of Legal Affairs shall have the following functions:

10.1. Hear and decide opposition to the application for registration of marks; cancellation of trademarks; subject to the provisions of Section 64, cancellation of patents, utility models, and industrial designs; and petitions for compulsory licensing of patents;

x x x x

10.3. The Director General may by Regulations establish the procedure to govern the implementation of this Section.

<sup>75</sup> *Birkenstock Orthopaedie GmbH and Co. KG v. Phil. Shoe Expo Marketing Corp.*, 721 Phil. 867, 875-876 (2013).

conducive to the just speedy and inexpensive disposition of cases, and which will give the BLA the greatest possibility to focus on the contentious issues before it.<sup>76</sup>

However, it is equally true that the relaxation of procedural rules cannot be made without any valid reasons proffered for or underpinning it.<sup>77</sup> Procedural rules are designed to facilitate the adjudication of cases, and are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party's substantive rights.<sup>78</sup> Like all rules, they are required to be followed except only for the most persuasive of reasons when they may be relaxed to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed.<sup>79</sup> To merit liberality, petitioners must show reasonable cause justifying their non-compliance with the rules and must convince the Court that the outright dismissal of the petition would defeat the administration of substantive justice,<sup>80</sup> which petitioners in this case failed to do. In this respect, We adopt the appellate court's detailed observations and conclusion that Taiwan Kolin failed to give any justifiable cause or compelling reason warranting the relaxation of the *Inter Partes* Regulations:

First, TKCL's claim that its non-compliance with the Regulations[] was due to the fact that it had two Opposition cases and was confused as to which case the original documents should be submitted to, can hardly be considered a justifiable and compelling reason. **If the Opposition against Class 35 TM Application (MNO 2008-065) for the use of "www.kolin.ph," were that important, TKCL should have at least submitted with the BLA-IPO even just a signed original or certified true copy of the documents in its Opposition.** TKCL could have indicated in the other Opposition case, MNO 2008-064, that the originals were submitted in Opposition case, MNO 2008-065, and thereafter made a reservation for its belated filing. But it neglected to do so.

Second, TKCL's admission that it made a reasonable attempt in complying with the Regulations, and failed only in "adequately informing this Honorable Office of the availability of original exhibits..." clearly reveals that **the documents in original form were already at its disposal. Yet, it never bothered to attach the same to its Opposition, and held on to its erroneous interpretation of the Regulations.**

Third, TKCL's claim that it had difficulty in securing the "original copies of its documentary exhibits" since the same were kept in its principal address located in Taipei, Taiwan and that it failed "through inadvertence...to indicate in both verified oppositions that 'original copies are available for immediate submission or comparison at the proper time,'" are all but weak excuses. **To be**

<sup>76</sup> Section 5 of the *Inter Partes* Regulations.

<sup>77</sup> *Building Care Corporation v. Macaraeg*, 700 Phil. 749, 755 (2012), citing *Daikoku Electronics Phils., Inc. v. Raza*, G.R. No. 181688, June 5, 2009, 588 SCRA 788 at 795.

<sup>78</sup> *Id.*

<sup>79</sup> *Asian Spirit Airlines (Airline Employees Cooperative) v. Spouses Bautista*, 491 Phil. 476, 483-484 (2005), citing *Galang v. Court of Appeals*, 199 SCRA 683, 689 (1997).

<sup>80</sup> See *id.* at 484-485.

sure, records show that despite being given ample time of 120 days reckoned from the time of the subject mark's publication to file its Opposition, TKCL still failed to exert diligent efforts to obtain the original documents. Worse, it never attempted to secure even just certified true copies of said documents. This attitude cannot in any way justify the relaxation of the Regulations.<sup>81</sup> (Emphasis supplied)

Indeed, the relaxation of procedural rules in the interest of justice was never intended to be a license for erring litigants to violate the rules with impunity. It applies only to proper cases of demonstrable merit and under justifiable causes and circumstances, none of which are present in this case.<sup>82</sup>

The Court is aware of the amendment of the *Inter Partes* Regulations in 2014 to allow the attachment of photocopies of the affidavits and documentary evidence, in lieu of originals and certified true copies, subject to the presentation of the affidavits and/or certified true copies during the preliminary conference or through the appropriate motion.<sup>83</sup> Nevertheless, considering Taiwan Kolin's blatant disregard of the rules, we maintain that the CA did not err in upholding the BLA and IPO Director General's dismissal of Taiwan Kolin's Opposition. Absent any plausible explanation for its non-compliance or compelling reason warranting the relaxation of the rules, a party's plain violation of the rules will not be countenanced.

In any event, even assuming that Taiwan Kolin's Opposition should not be dismissed outright on technical grounds, we find that KECI is entitled to registration of "www.kolin.ph" under Class 35 of the Nice Classification.

**KECI has the right to register  
and use the mark  
"www.kolin.ph".**

At the outset, and as reiterated in the *2021 Kolin* case, we stress that KECI was already declared the first and prior user of the "KOLIN" mark in the Philippines and thus the owner of the "KOLIN" mark under RA 166, in a final and executory decision rendered by the CA.<sup>84</sup> In connection thereto, Section 236 of the IP Code states that nothing in the IP Code shall impair the rights of

<sup>81</sup> *Rollo* (G.R. No. 221347), pp. 51-52.

<sup>82</sup> See *Ramirez v. Court of Appeals*, 622 Phil. 782, 798 (2009).

<sup>83</sup> Section 7 of the *Inter Partes* Regulations, as amended by Office Order No. 68, reads:  
**Section 7. Filing Requirements for Opposition and Petition**

x x x x

(c) For the purpose of the filing of the opposition, the opposer may attach, in lieu of the originals or certified copies, photocopies of the documents mentioned in the immediately preceding paragraph, as well as photographs of the object evidence, subject to the presentation or submission of the originals and/or certified true copies thereof under Sections 13 and 14 of this Rule. [as amended by Office Order No. 68 (2014)]

<sup>84</sup> The Court of Appeals' July 31, 2006 Decision in C.A.-G.R. SP No. 80641 at *Rollo* (G.R. No. 221347), pp. 89-113. Under RA 166, ownership of a tradename is acquired through prior use in commerce.

the enforcement of marks acquired in good faith prior to the effective date of said law.<sup>85</sup>

Moreover, it is settled that a certificate of registration of a mark is *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>86</sup> The said presumption may be challenged and rebutted when an adverse party, in the appropriate action, can show that the certificate of registration is not reflective of ownership of the holder, such as when: (1) the first registrant has acquired ownership of the mark through registration but subsequently lost the same due to non-use or abandonment (*e.g.*, failure to file the Declaration of Actual Use); (2) the registration was done in bad faith; (3) the mark itself becomes generic; (4) the mark was registered contrary to the IP Code (*e.g.*, when a generic mark was successfully registered for some reason); or (5) 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.<sup>87</sup>

In connection thereto, it is beyond cavil that KECI, having been issued Certificate of Registration No. 4-2007-005421, is the registered owner of the "KOLIN" mark under Class 35, specifically for "the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus". Significantly, the list of services in the said certificate is identical to the list of services of KECI's application for "www.kolin.ph".<sup>88</sup> This certificate of registration vests KECI the exclusive right to use the "KOLIN" mark in relation to the services covered by the registration. **Unless and until the said registration of KECI is nullified or cancelled through the proper proceeding, the rights emanating from the said registration should be respected.**

Does KECI's right to exclusively use the "KOLIN" mark under Class 35 necessarily include the right to register its domain name containing *KOLIN* as the dominant feature?

We rule in the affirmative.

<sup>85</sup> Section 236 of the IP Code reads:

Section 236. Nothing herein shall adversely affect the enforcement of rights in patents, utility models, industrial designs, marks and works, acquired in good faith prior to the effective date of this Act.

<sup>86</sup> Section 138 of the IP Code reads:

SECTION 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>87</sup> *Zuneca Pharmaceutical v. Natrapharm, Inc.*, G.R. No. 211850, September 8, 2020, citations omitted.

<sup>88</sup> *Rollo* (G.R. No. 221347), p. 41.

Having been granted the right to exclusively use the “KOLIN” mark for the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus, KECI’s application for registration of its domain name containing the “KOLIN” mark for the same goods and services as its Class 35 registration for “KOLIN” is merely an exercise of its right under its Class 35 registration. In today’s internet-wired market, selling electronic equipment or apparatus will ideally involve the registration of a domain name to establish an online presence. Information on the products sold by an enterprise must necessarily be provided in all avenues, whether through print, media, or online. As early as the 1999 case of *Mirpuri v. Court of Appeals*,<sup>89</sup> this Court recognized that advertising on the internet and cybershopping are turning the internet into a commercial marketplace, thus:

The Internet is a decentralized computer network linked together through routers and communications protocols that enable anyone connected to it to communicate with others likewise connected, regardless of physical location. Users of the Internet have a wide variety of communication methods available to them and a tremendous wealth of information that they may access. The growing popularity of the Net has been driven in large part by the World Wide Web, i.e., a system that facilitates use of the Net by sorting through the great mass of information available on it. Advertising on the Net and cybershopping are turning the Internet into a commercial marketplace.<sup>90</sup>

In *W Land Holding, Inc. v. Starwood Hotels and Resorts Worldwide, Inc.*,<sup>91</sup> the Court, cognizant of the increasingly prominent role of the internet in modern commerce, held that the use of a registered mark representing the owners goods or services by means of an interactive website may constitute proof of actual use that is sufficient to maintain the registration of the same, viz:

Cognizant of this current state of affairs, the Court therefore agrees with the IPO DG, as affirmed by the CA, that the use of a registered mark representing the owner’s goods or services by means of an interactive website may constitute proof of actual use that is sufficient to maintain the registration of the same. **Since the internet has turned the world into one vast marketplace, the owner of a registered mark is clearly entitled to generate and further strengthen his commercial goodwill by actively marketing and commercially transacting his wares or services throughout multiple platforms on the internet. The facilities and avenues present in the internet are, in fact, more prominent nowadays as they conveniently cater to the modern-day consumer who desires to procure goods or services at any place and at any time, through the simple click of a mouse, or the tap of a screen. Multitudinous commercial transactions are accessed, brokered, and consummated everyday over websites. These websites carry the mark which represents the goods or services sought to be transacted. For the owner, he intentionally exhibits his mark to attract the customers’ interest in his goods or services. The mark displayed over the website no less serves its functions of indicating the goods**

<sup>89</sup> Supra note 1.

<sup>90</sup> Id. at 649, citing *Maureen O’Rourke, Fencing Cyberspace: Drawing Borders in a Virtual World, Minnesota Law Review*, vol. 82: 609-611, 615-618 [Feb. 1998].

<sup>91</sup> Supra note 2.

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**or services' origin and symbolizing the owner's goodwill than a mark displayed in the physical market. Therefore, there is no less premium to recognize actual use of marks through websites than their actual use through traditional means.** Indeed, as our world evolves, so too should our appreciation of the law. Legal interpretation — as it largely affects the lives of people in the here and now — never happens in a vacuum. As such, it should not be stagnant but dynamic; it should not be ensnared in the obsolete but rather, sensitive to surrounding social realities.<sup>92</sup> (Emphasis and underscoring supplied)

The industry for electronic equipment is no stranger to this phenomenon. Indeed, consumers nowadays can readily access information on electronic equipment and apparatus and easily and conveniently purchase electronic equipment online through the simple click of a mouse or the tap of a screen. An enterprise which seeks to establish its presence in the online marketplace and sell its products therein may do so by developing its own website, which has a corresponding domain name - an identifier analogous to a telephone number or street address.<sup>93</sup> In turn, the modern day consumer frequently expects that a website consisting of or encompassing a trademark used in the physical market is sponsored by or associated with the owner of that trademark, and readily use domain names as an indicator of the source or origin of the goods, *i.e.*, a means of finding goods and services from a preferred source.<sup>94</sup>

In recognition thereof, courts in the United States have held that the use of a trademark of another company or person within the domain name of a web address can constitute a trademark violation.<sup>95</sup> To protect the goodwill and reputation of their business and products in the online sphere, it is but logical for companies to register their trademarks in the form of domain names under the IP Code.

In fine, the owner of a registered trademark, absent any legal obstacle or compelling reason to the contrary, should be allowed to register, in its favor, a domain name containing its registered trademark as a dominant feature. KECI's application to register and use the mark "www.kolin.ph", presumably as its domain name and platform to sell its products in the internet, is merely in exercise of and consistent with its exclusive right to use "KOLIN" on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus. KECI's exclusive right to use the "KOLIN" mark for the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus is entitled to protection, whether such use is exercised online or through a physical market – and whether the mark is printed on product packaging or included in the domain name of its website. Indeed, to preclude KECI from safeguarding its right to protect the name of its domain name containing its registered mark would unduly limit the scope of selling and antedate the concept in relation to the current times.

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<sup>92</sup> Id. at 42.

<sup>93</sup> Supra note 2.

<sup>94</sup> *W Land Holding, Inc. v. Starwood Hotels and Resorts Worldwide, Inc.*, supra note 2, at 42.

<sup>95</sup> Supra note 5.

Considering that KECI's registration of "www.kolin.ph" is proper pursuant to KECI's existing registration of "KOLIN" under Class 35, we need not belabor the issue raised by Taiwan Kolin as regards the likelihood of confusion of "www.kolin.ph" with Taiwan Kolin's existing registrations in other classifications.

Moreover, contrary to Taiwan Kolin's contention that KECI's application is violative of Rule 417 of the IRR of the IP Code,<sup>96</sup> We find the description of the goods and services with sufficient particularity. On this point, the Trademark Manual of Examining Procedure (TMEP) of the United States Patent and Trademarks Office (USPTO) is instructive on the purpose behind providing a specific description of goods and services. Section 1402.1 provides that an applicant must identify the goods and services specifically to provide public notice, and to enable the USPTO – the agency vested with jurisdiction in the United States to examine applications for registration of marks - to classify the goods and services properly and to reach informed judgments concerning likelihood of confusion:

**The applicant must identify the goods and services specifically to provide public notice and to enable the USPTO to classify the goods and services properly and to reach informed judgments concerning likelihood of confusion** under 15 U.S.C. §1052(d) x x x USPTO has discretion to require the degree of particularity deemed necessary to clearly identify the goods and/or services covered by the mark. In re Omega SA, 494 F.3d 1362, 83 USPQ2d 1541 (Fed. Cir. 2007).<sup>97</sup> (Emphasis supplied)

In this respect, We find the description of the services in KECI's application, *i.e.*, for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus,<sup>98</sup> of sufficient particularity to accomplish the aforesaid objectives. It is worthy to highlight that the Bureau of Trademarks found the description of services in KECI's application to be sufficient,<sup>99</sup> since the application was published in the e-Gazette on January 11, 2007. The publication of a trademark application in the IPO e-Gazette means that the trademark application has undergone stringent examination by the examiner-in-charge who assessed the applicant entitled to have its mark registered.<sup>100</sup> Neither did the BLA nor the IPO Director General

<sup>96</sup> Rule 417 of the IRR of the IP Code reads:

Rule 417. *Broad terms.* – In any application, the use of broad terms in identifying the goods, business or services shall be unacceptable. Applicants whose application are based on foreign registration shall be required to specify the goods covered by such foreign registration in all cases where the foreign registration used broad terms in identifying the goods, business or services.

<sup>97</sup> Trademark Manual of Examining Procedure, Section 1402.1.

<sup>98</sup> *Rollo* (G.R. No. 221437), p. 118.

<sup>99</sup> *Id.* at 118-125.

<sup>100</sup> Rule 700, as amended by Office Order no. 34, s. 2004 reads:

Rule 700. *Publication in the IPO Gazette; end of jurisdiction of the Examiner.* – An application for registration is subject to opposition proceeding before issuance of the certificate of registration. **Thus, after examination or re-examination of an application for registration, if it should appear to the Examiner in charge of the examination thereof that the applicant is entitled to have his mark registered, the mark will, upon the recommendation of said Examination, be ordered by**

find anything objectionable on the description of the services in the application. The Bureau of Trademarks, as the office tasked by law to examine applications for the registration of marks, issuance of the certificates of registration, and to decide oppositions to the application for registration of marks,<sup>101</sup> it is clearly equipped with the necessary expertise to examine the trademark application. As such, its findings on the sufficiency of the description of goods and services in the application should be accorded respect.

**While the protection afforded to a registered trademark extends to market areas that are the normal potential expansion of its business, such protection must not infringe on the rights of another trademark owner with a registered mark in its favor.**

In G.R. No. 221347, KECI assails the pronouncement of the IPO Director General that the trademark applications (now registrations) of Taiwan Kolin for the mark **KOLIN** under Classes 11 and 21 refer to goods not related to KECI's services covered by the subject application before Us. According to KECI, the said erroneous pronouncement may have far-reaching consequences considering that the registration of "www.kolin.ph" in KECI's favor is not limited to the services covered by KECI's Class 35 application, but also goods and services similar to those in respect of which the trademark is registered, where such use would result in a likelihood of confusion, as well as product and market areas that are the normal potential expansion of his business.<sup>102</sup>

For ease of reference, details of the parties' registered marks relevant to the case at bench and their important details may be viewed in the table below:

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**the Director to be published in the IPO Gazette for opposition, and the applicant notified of such action.**

The applicant shall, within two (2) months from mailing date of such notice, pay the corresponding fee for the publication of the application in the IPO Gazette; otherwise, the application shall be declared abandoned. The abandoned application, however, may be revived subject to the requirement of these Regulations. (Emphasis and underscoring supplied)

<sup>101</sup> Sec. 9, 7, and 10 of the IP Code provides:

Sec. 9. *The Bureau of Trademarks.* – The Bureau of Trademarks shall have the following functions:  
x x x 9.1. Search and examination of the applications for the registration of marks, geographic indications and other marks of ownership and the issuance of certificates of registration;

Sec. 7. *The Director General and Deputies Director General.* - 7.1. Functions – xxxx b) Exercise exclusive appellate jurisdiction over all decisions rendered by the Director of Legal Affairs xxx

Sec. 10. *The Bureau of Legal Affairs.* – The Bureau of Legal Affairs shall have the following functions: 10.1. Hear and decide opposition to the application for registration of marks; cancellation of trademarks, subject to the provisions of Section 64, cancellation of patents, utility models, and industrial designs; and petitions for compulsory licensing of patents; x x x.

<sup>102</sup> *Rollo* (G.R. No. 221347), p. 22.

	KECI's Subject Application	KECI's related registration <sup>103</sup>	Taiwan Kolin's Registration for water dispensers <sup>104</sup>	Taiwan Kolin's registration under Class 11 <sup>105</sup>
Marks	www.kolin.ph	<i>KOLIN</i>	<b>KOLIN</b>	<b>KOLIN</b>
Application No.	4-2007-100009	4-2007-005421	4-2002-011004	4-2002-011001
Filing Date	August 16, 2007	May 29, 2007	December 27, 2002	December 27, 2002
Current Status	Pending	Registered	Removed from register for non-filing of 5th DAU (re-registered under TM application 4/2014/8596 filed on July 10, 2014)	Registered
Class Covered	35	35, 40	21	11
Goods or Services Covered	Services: Business of manufacturing, importing, assembling or selling electronic equipment or apparatus	Services: Business of manufacturing, importing, assembling or selling electronic equipment or apparatus	Goods: Water dispensers	Goods: Airconditioners, refrigerators, electric fans, window type airconditioners, package type airconditioners, ceiling mounted airconditioners, split type airconditioners, dehumidifier, washing machines, refrigerators, show case refrigerators, chest type freezers, upright freezers, beverage coolers, water chillers, household electric fans, industrial electric fans, rice cooker, stew cooker, microwave ovens, gas stoves, gas range, dish

<sup>103</sup> Supra note 15.

<sup>104</sup> *Rollo* (G.R. No. 221347), pp. 279-280. See the Philippine Trademark Database, <<http://www.wipo.int/branddb/ph/en/>>.

<sup>105</sup> See the Philippine Trademark Database, <<http://www.wipo.int/branddb/ph/en/>>.

				dryer, oven toaster, dishwashing machine, bottle sterilizer, electric air pot, water heater, grillers and roasters, coffee and tea makers, turbo broiler, juicemaker, blender, and other electrical appliances
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KECI's rights from its existing trademark registrations for "KOLIN" do extend to product and market areas that are the normal potential expansion of its business, and goods and services and those in respect of which the trademark is registered where such use would result in a likelihood of confusion. Section 147 of the IP Code provides that the owner of a registered mark 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 would result in a likelihood of confusion.<sup>106</sup>

In *Dermaline*, we held that the registered trademark owner also enjoys protection in product and market areas that are the normal potential expansion of his business.<sup>107</sup> In *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*<sup>108</sup> (*Big Mak*), we explained:

Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but **extends to all cases in which the use by a junior appropriator of a trademark or trade-name is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field** (see 148 ALR 56, et seq.; 53 Am. Jur. 576) or is in any way connected with the activities of the infringer; or when it forestalls the

<sup>106</sup> Sec. 147. *Rights Conferred.* —

147.1. The owner of a registered mark 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 or containers 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.

147.2. The exclusive right of the owner of a well-known mark defined in Subsection 123.1(e) which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: *Provided*, That use of that mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark: *Provided, further*, That the interests of the owner of the registered mark are likely to be damaged by such use.

<sup>107</sup> *Supra* note 63 at 514-515.

<sup>108</sup> 480 Phil. 402 (2004).

normal potential expansion of his business (v. 148 ALR 77, 84; 52 Am. Jur. 576, 577).<sup>109</sup>

The abovestated principles in *Dermaline and Big Mak* remain to be good law. Nevertheless, the said rulings did not contemplate the exceptional situation where there may be existing marks owned by another proprietor that could potentially be infringed should the registered trademark owner be afforded blanket protection in product and market areas that are the normal potential expansion of its business. In such a case, and prior to the cancellation in the proper proceeding of any of the concerned registrations, We so hold that the protection afforded to a trademark with regard to goods and services in market areas that are the normal potential expansion of the trademark owner's business *must not infringe on the rights of another trademark owner with a registered mark in its favor.*

This Court is not unmindful of KECI's concerns on the relatedness of the services of KECI under Class 35 and Taiwan Kolin's goods under Classes 11 and 21, and the possibility of confusion of business between its and Taiwan Kolin's marks. Suffice it to state that some of its concerns may be addressed by the *2021 Kolin case* in conjunction with Senior Associate Justice Estela M. Perlas-Bernabe's eloquent Concurring Opinion therein, which sought to reconcile KECI and Taiwan Kolin's respective rights over the "KOLIN" mark by clarifying that Taiwan Kolin's rights are limited to the stylization and design of **KOLIN** which is a design mark, in contrast to KECI who has exclusive protection over the words, letters, or numbers themselves of **KOLIN** in the same type of goods and services over which it has registration.<sup>110</sup>

It is worth stressing that the crux of the controversy before us – and the subject matter of the CA and the lower tribunals' decisions - is KECI's application to register "www.kolin.ph" as a service mark under Class 35; it does not involve the validity of other existing registrations. To our mind, the proper remedy for KECI's concern that it will be damaged by Taiwan Kolin's existing registrations in Classes 11 and 21 is to file a petition to cancel the latter's registrations with the BLA, or to raise the matter before any pending case filed

<sup>109</sup> Id. at 432, citing *Sta. Ana v. Maliwat*, 133 Phil. 1006 (1968).

<sup>110</sup> Supra note 30.

by Taiwan Kolin to enforce its rights under the said registrations under Section 151 of the IP Code.<sup>111</sup>

In the meantime, just as KECI's registration for *KOLIN* under Class 35 was successfully registered and is presumed valid unless otherwise shown in an appropriate action, Taiwan Kolin's registrations in Classes 11 and 21 remain valid and subsisting for as long as they have not been cancelled by the IPO or the courts in the proper action. These registrations remain to be *prima facie* evidence of Taiwan Kolin's ownership of the design mark **KOLIN**, and of the registrant's exclusive right to use the specific stylization and design of the said mark in connection with the goods, business or services specified in the certificate. Said right remains enforceable during the certificates' effectivity and prior to their cancellation.<sup>112</sup>

**WHEREFORE**, the Petitions in G.R. No. 221347 and G.R. Nos. 221360-61 are **DENIED** for lack of merit. The January 27, 2015 Decision and November 4, 2015 Resolution of the Court of Appeals in CA-G.R. SP No. 122566 and CA-G.R. SP No. 122574 are **AFFIRMED**.

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<sup>111</sup> Section 151 of the IP Code reads:

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. If the registered mark becomes the generic name for less than all of the goods and services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.
- (c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

151.2. Notwithstanding the foregoing provisions, **the court of the administrative agency vested with jurisdiction to hear and adjudicate any action to enforce the rights to a registered mark shall likewise exercise jurisdiction to determine whether the registration of said mark may be cancelled in accordance with this Act.** The filing of a suit to enforce the registered mark with the proper court or agency shall exclude any other court or agency from assuming jurisdiction over a subsequently filed petition to cancel the same mark. On the other hand, the earlier filing of petition to cancel the mark with the Bureau of Legal Affairs shall not constitute a prejudicial question that must be resolved before an action to enforce the rights to same registered mark may be decided (Emphasis supplied)

<sup>112</sup> See *Shangri-la International Hotel Management Ltd. v. Court of Appeals*, 411 Phil. 802, 809 (2001).

**SO ORDERED.**

  
**RAMON PAUL L. HERNANDO**  
*Associate Justice*

WE CONCUR:

  
**ESTELA M. PERLAS-BERNABE**  
*Senior Associate Justice*  
*Chairperson*

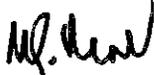
  
**RODIL W. ZALAMEDA**  
*Associate Justice*

On official leave.  
**SAMUEL H. GAERLAN**  
*Associate Justice*

On official leave.  
**JAPAR B. DIMAAMPAO**  
*Associate Justice*

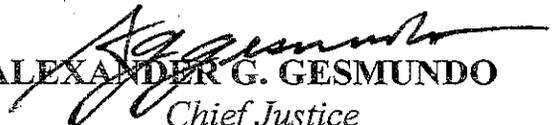
**ATTESTATION**

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.

  
**ESTELA M. BERLAS-BERNABE**  
*Senior 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.

  
**ALEXANDER G. GESMUNDO**  
*Chief Justice*