



**QUINNS MARKETING SERVICES }
 LIMITED }
 Opposer }
 }
 -vs- }
 }
**ANIL KAPAHI and SURAJ KAPAHI }
 Respondent-Applicant }
 x-----x****

IPC NO. 14-2007-00071
Opposition to:
Applcn. Ser. 4-2003-011772
Date Filed: 23 December 2003
TM: "K'S KIDS AND DEVICE"
Decision No. 07-138

DECISION

This pertains to the verified **NOTICE OF OPPOSITION** filed on March 19, 2007 by Quinns Marketing Services Limited to the application for registration of the trademark "K'S KIDS AND DEVICE" for goods under the following classes:

1. Class 3 – soaps, perfumes, detergents, shampoo, lotion, toiletries, talcum powder, bath oils, cotton buds, and cotton hook;
2. Class 5 – pharmaceutical lotions, sterilizer tablets, sanitary pads, sanitary napkins, sanitary pants, and sanitary panties;
3. Class 8 – spoon, fork, knife (plastic, stainless steel), nail clipper/cutter, nappy clamps, and cutlery sets;
4. Class 10 – feeding bottles, pacifiers/soothers/pacifier holder; teethers and rattles (hard/soft bite, vinyl, water-filled); teats/nipples; bottle nipple; thermometer, medical care kits, medicine spoon, medicine dropper, ear syringe, nasal aspirator, medicine syringe, sheets for incontinence for medical use, breast pump, medicine cases, breast nursing pads, cotton applicators;
5. Class 11 – bath tubs, hot plates, safety lamps, sterilizers, bottle heaters, bottle warmer, warmers;
6. Class 12 – baby strollers, baby stroller covers, baby carriage, baby carriers, and walkers;
7. Class 16 – disposable diaper, baby napkins, tissue paper, and baby wipes;
8. Class 18 – bags

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9. Class 20 – cribs, baby rocking chair, air cushions, bolsters, cabinets, chimes, hangers, covers, accessory display boards, dressing table pillows, picture frame, shelves, cot bumper pads;
10. Class 21 – training cups, juice cups, snack cups, feeding dishes and bowls; toothbrush and its holder; melamine set (divider plate [round, rectangular, oval, plate and bowl with suction base]) milk powder container; brush, finger toothbrush, pins, bottle racks, hairbrush, haircomb, drinking cups, feeding cups, nursery cup-set, mugs, breakers, bottles, plates, saucers, dishes and bowls, tumblers, containers for mild powder, milk powder dispensers, powder puff containers, and soap boxes;
11. Class 24 – wash cloth, hooded blanket, comforter, bed cloth, bed cover linen, pillow case, bolster cases, cot sheets, towels, cradle nets, mosquito nets, aircushions and mattresses for babies, and towels;
12. Class 25 – tie side (sleeveless, short sleeves, long sleeves); T-shirt, undershirt, panty training panty) shorts, pajama sets, romper, terry frog suit, gown, mittens, booties, bibs, shoes, baby clothing such as T-baby shirts, undershirts, baby dresses, shorts, and gloves;
13. Class 26 – cloth hooks;
14. Class 27 – baby mats, mats and matting, rubber mats, rubber backed mats, rubber air-filled cot sheets; and
15. Class 28 – playthings, musical mobiles, activity play gym, rattles, toy blocks, toy cups and barrels, plush toys, balls, and teddy bears

under Application Serial No. 4-2003-011772 lodged by Anil Kapahi and Suraj Kapahi on December 23, 2003 and published for opposition in the Intellectual Property Philippines (IP Phil.) electronic gazette that was released for circulation on November 17, 2006.

Opposer Quinns Marketing Services Limited is a corporation formed and existing under the laws of Hong Kong, Republic of China with business address at Unit A, 2/F Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong.

The grounds for opposition are as follows:

1. The mark “K’S KIDS AND DEVICE” which respondents-applicants seek to register is confusingly similar to opposer’s well-known mark “K’S KIDS AND



DEVICE”, and is used for identical/similar goods for which reasons the registration of the mark “K’S KIDS AND DEVICE” in the names of respondent-applicants is proscribed by Section 123.1 (e) of the Intellectual Property (IP) Code and also because the application was filed in utter bad faith;

2. Opposer is the true owner of the “K’S KIDS AND DEVICE” marks;
3. Opposer’s “K’S KIDS AND DEVICE” more than satisfies the criteria set forth in Rule 102 of the Trademark Regulations for determining whether a mark is well-known, especially the criteria stated in Sections (a), (c) to (i);
4. Opposer’s “K’S KIDS AND DEVICE” mark was coined by opposer itself: The “K” therein stands for “KAREN” which is the first name of the major stockholder and director of opposer;
5. “K’S KIDS” denotes “KAREN’S KIDS”;
6. The onion-shaped device was chosen because the Chinese words for “onion” and for “smart” are aurally identical, i.e., the words share the same pronunciation;
7. The onion-shaped device which is made to resemble the head of a baby denotes smartness while the two (2) dots representing the eyes and the curved line underneath, both found inside the onion-shaped device, resemble a smiling face and, thus, denotes happiness;
8. Hence, opposer’s “K’S KIDS AND DEVICE” stands for a smart and happy child;
9. Opposer is likewise the prior registrant and user of “K’S KIDS AND DEVICE” mark: Opposer first used its “K’S KIDS AND DEVICE” mark in Hong Kong in 1998 and has since used it internationally since 1999;
10. Opposer’s “K’S KIDS AND DEVICE” mark has been exclusively registered in opposer’s name since 1999: Opposer’s “K’S KIDS AND DEVICE” mark and its variations have been exclusively registered in opposer’s name in Hong Kong in 1998, the People’s Republic of China also in 1998, and the European Union in 2006;
11. Opposer has applied for registration of its “K’S KIDS AND DEVICE” mark and its variation in several countries such as Argentina, Australia, Brazil, Canada, Croatia, the European Union, Egypt, Israel, Japan, Malaysia, Norway, Philippines, Russian Federation, Singapore, Taiwan, Ukraine, and the U.S.A.;



12. Opposer has expanded the product line bearing "K'S KIDS AND DEVICE" mark: Opposer started with only six (6) different product lines in 1998 but such product line bearing the "K'S KIDS AND DEVICE" mark has since grown in number and now totals to twenty three (23) different product lines;

13. Opposer has since then began advertising its goods bearing its "K'S KIDS AND DEVICE" mark by the distribution of its Collection Catalogues in various jurisdictions: 1) In opposer's 1999-2000 Collection Catalogue, the cover page displayed a toy train containing the "K'S KIDS AND DEVICE" mark in its frontal portion; 2) In opposer's 2000-2001 Collection Catalogue, the cover page displayed a toy house with a sign on the top thereof containing the words "K's Kids Island" with the "K'S KIDS AND DEVICE" mark attached on top of the sign; 3) In opposer's 2001-2002 Collection Catalogue, the cover page displayed a toy space ship with the onion-shaped device and the words "K's Kids" attached to the port side of the ship; 4) In opposer's 2003 Collection catalogue, the cover page displayed a toy air balloon with opposer's "K'S KIDS AND DEVICE" mark appended to the front upper portion thereof; 5) In opposer's 2004 Collection catalogue, the cover page showed a school bus overflowing with stuffed dolls and on its lower left hand corner is a small house with the words "K's Kids" on the arc above the roof; 6) In opposer's 2005 Collection Catalogue, the cover page displayed a toy car driven by a baby, with the words "K's Kids" displayed in the area designated for the plate number; and 7) In opposer's 2006-2007 Collection Catalogue, the cover page displayed a toy boat manned by several toy animals and the lower portion of the port-stern side of the boat contains the words "K's Kids";

14. Opposer has advertised its goods through promotional partnerships with different companies and through internationally known publications: 1) Opposer entered into a promotional partnership with Mead Johnson Nutritional Mother Club; 2) Opposer published different products bearing its "K'S KIDS AND DEVICE" mark in the Sing Tao Newspaper; 3) Opposer advertised in the Mother and Baby publication the sale of "K's Kids Fold and Go Jumbo Playmat" from its "K's Kids" product line; 4) Opposer advertised in the Parenting publication the sale of "The Hungry Pelican" toy from its "K's Kids" product line; 5) opposer published an advertisement of products bearing its "K'S KIDS AND DEVICE" mark in the baby Products Supplement of the HK Enterprise magazine; and 6) Opposer advertised its products bearing its "K'S KIDS AND DEVICE" in a German periodical;

15. Opposer has had contracts with several distributors worldwide, expanding to 56 countries;

16. Opposer, by itself and through its distributors in several countries, has also expended considerable amount of time and financial resources, and has invested substantial amounts of money by way of promotion and advertisement



of goods bearing opposer's 'K'S KIDS AND DEVICE" mark and participation in toys' fairs and exhibitions: Opposer expends seventy percent (70%) of its advertising costs for goods bearing its "K'S KIDS AND DEVICE" mark which translates to One Million Six Hundred Forty Three Thousand Eight Hundred Eighty Four and 15/100 Hong Kong Dollars (HK \$1,643,884.15);

17. Considering the extent of advertisements worldwide, the volume of documents that have to be evaluated and the resources which would have to be devoted to the computation of the expenses, opposer has opted to provide representative samples of advertising expenses in several jurisdictions for which reason it can be reasonably concluded that opposer has spent considerably more in actual advertising expenses;

18. Opposer has also been widely advertising, promoting, and selling goods bearing its "K'S KIDS AND DEVICE" mark worldwide: Opposer through the internet has advertised products bearing its "K'S KIDS AND DEVICE" mark in several websites, specifically in its own website, <http://kskids.com>, which is accessible to Philippine consumers, and several other major search engines and retail sites;

19. A simple search at <http://www.google.com> would immediately reveal several links to opposer's sites and retail outlets;

20. An online purchase of opposer's goods bearing the 'K'S KIDS AND DEVICE" mark is also possible;

21. Opposer also experienced substantial growth in worldwide sales for its goods bearing the "K'S KIDS AND DEVICE" marks: From July 2002 to June 2003, opposer's total worldwide sales to its different distributors made through opposer's intermediary and distribution arm, Paka Preschool Products Limited ("Paka Preschool"), for its mark bearing the "K'S KIDS AND DEVICE" amounted to Nineteen Million Eight Hundred Eighteen Thousand Ninety-Nine and 86/100 Hong Kong Dollars (HK \$19,818.099.86);

22. Opposer's worldwide sales experienced a generally steady upward trend: From 2003 to 2006, opposer's products bearing the "K'S KIDS AND DEVICE" mark garnered annual worldwide sales in the amounts of US \$2,642,340.46 to US \$6,009,659.48;

23. Opposer has likewise gained immense goodwill for its "K'S KIDS AND DEVICE" marks by reason of the high quality of its goods bearing said mark: Opposer has won several prestigious awards which are renowned in the toy industry;

24. By virtue of the fact that opposer has used its "K'S KIDS AND DEVICE" mark since 1998, has acquired high volumes of sales worldwide, has advertised

its products to different countries in the world through different media, has acquired substantial goodwill due to the high quality of the goods bearing the "K'S KIDS AND DEVICE" mark, has secured a prior registration of the mark in three (3) countries, and has applied for the same in over thirteen (13) countries, opposer's "K'S KIDS AND DEVICE" mark has achieved worldwide recognition and is a well-known mark internationally, satisfying the requirements of Rule 102 of the Implementing Rules of the IP Code;

25. In the Philippines, oposer has been selling products bearing the "K'S KIDS AND DEVICE" mark as early as 2002: Through Paka Preschool, opposer has achieved goodwill in the Philippines beginning the year 2002 by selling its products to opposer's local distributor in the Philippines, Rustan's Commercial Corporation ("Rustan's");

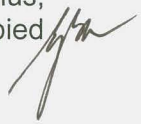
26. As early as August 13, 2002, through several e-mails and correspondence between Rustan's and Paka Preschool, it was agreed that Rustan's would purchase opposer's products bearing the "K'S KIDS AND DEVICE" mark in order to sell and distribute the same in the Philippines;

27. By a perfected offer and acceptance of orders of opposer's products bearing the "K'S KIDS AND DEVICE" as evidenced by e-mails, opposer entered into a distributorship agreement with Rustan's as early as August 13, 2002 through Paka Preschool;

28. As early as October 2002, opposer's goods were already available in the Philippines: The agreement between Paka Preschool and Rustan's was already consummated with the delivery date of opposer's products bearing the "K'S KIDS AND DEVICE" mark due on October 2002, and on said period, thus, Paka Preschool delivered unto Rustan's 516 pieces, packed in 73 cartons, of opposer's products bearing the "K'S KIDS AND DEVICE" mark in consideration of Five Thousand Seven Hundred Forty Two United States Dollars (US \$5,742.00);

29. Opposer continued to acquire presence in the Philippines through other purchases between Paka Preschool and Rustan's, thus, establishing its use in the Philippines as evidenced by the total amount contracted by Paka Preschool with Rustan's since 2002: From July 2002 to June 2003 amounted to HK \$44,790.41, and from January 2004 to December 2004 amounted to US \$4,054.08;





30. Prior to respondents-applicants' filing of their application, opposer's products bearing the "K'S KIDS AND DEVICE" mark were already being displayed on the website www.kskids.com as early as July 31, 1998 for which reason, thus, respondents-applicants could have easily surfed on opposer's website an copied opposer's well-known mark "K'S KIDS AND DEVICE";



31. Respondents-applicants' mark is identical to opposer's previously registered, already used, and well-known "K'S KIDS AND DEVICE" mark: The only difference between the two marks is the absence of the dotted bow tie in the mark which respondents-applicants seek to register;

32. Respondents-applicants' imitation of opposer's mark extended to the use thereof on identical or similar goods for which reason respondents-applicants' filing of the subject trademark application is undeniably in utter bad faith in violation of opposer's intellectual property rights;







33. Respondents-applicants' bad faith is even made more evident by the fact that respondents-applicants have a penchant and are actually notorious for filing trademark applications with the IP Phil. for marks that are identical with or similar to famous trademarks found on the internet as can be seen from the following examples:

Trademark App. No.	Applicant(s)	Trademark Applied	Mark Found in Internet
4-2006-003712	Anil Kapahi & Suraj Kapahi	MAWS 	MAWS 
4-2004-010680	Anil Kapahi & Suraj Kapahi	SUN DELIGHT AND DEVICE 	SUNDELIGHT 

4-11775	Anil Kapahi	LUCKY BABY AND LOGO 	LUCKY BABY 
4-2003-011776	Anil Kapahi	FIESTA 	FIESTA 

gpa

34. There exists other trademark registrations and pending applications in the name of registrants/applicants with common Kapahi surname bearing the same address for marks which are likewise available in the internet, and these registrants/applicants appear to have the same propensity as respondents-applicants in registering well-known marks available on the internet, such as:

Trademark App. No.	Applicant(s)	Trademark Applied	Mark Found in Internet
2-2004-012079	Chandru Kapahi	MUNCHKIN IN A SUBSTANTIALLY RECTANGULAR BOX ENCLOSED IN A FRAME AND WITH A HEART ABOVE LETTER I 	MUNCHKIN 
4-2003-007967	Deepak Kapahi & Chandru Kapahi	KIDDIE LOVE 	KIDDIE LOVE 
4-2003-007968	Deepak Kapahi & Chandru Kapahi	TIGEX AND DEVICE 	TIGEX 

35. Since opposer's goods have already been present in the Philippines for distribution since 2002 and since opposer's products bearing the "K'S KIDS ND DEVICE" mark were already being displayed on the website www.kskids.com as early as July 31, 1998, being substantially before respondents-applicants' trademark application for "K'S KIDS AND DEVICE", it is clear that respondents-applicants merely copied opposer's mark to acquire goodwill, and this bad faith is clear by the almost exact duplication of opposer's mark.;

36. Respondents-applicants' bad faith is further bolstered by the fact that respondents-applicants are notorious for applying before the IP Phil. numerous marks which are available in the internet but not owned by them;

37. Section 151 of the IP Code on the matter of cancellation of trademark registration cites no prescription for cancellation of registration of marks obtained, there is more reason to suppose that bad faith is a ground to deny registration of a pending trademark application since bad faith is a ground for cancellation of a registration which is a higher and better right than a mere application;

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38. The registration of the "K'S KIDS AND DEVICE" mark in respondents-applicants' name will not only violate opposer's intellectual property rights but will also cause respondents-applicants to unfairly benefit from and free-ride on, opposer's business reputation and goodwill over its "K'S KIDS AND DEVICE" mark, thereby causing irreparable injury to opposer;

39. The foregoing clearly shows that opposer has a valid and legitimate claim for the use of its mark "K'S KIDS AND DEVICE" which it developed and has marketed not only in the Philippines but worldwide throughout the years;

40. Opposer's right stems from the fact that it is the owner and exclusive user of the "K'S KIDS AND DEVICE" mark for use on goods that are similar/identical to the goods being applied for by respondents-applicants; and

41. Respondents-applicants' acts are badges of bad faith; respondents-applicants' mark that are used for identical/similar goods being confusingly similar with opposer's mark; and opposer's long, exclusive, and uninterrupted use of the "K'S KIDS AND DEVICE" mark having caused the same to be well-known internationally and locally are reasons for which Application Serial No. 4-2003-011772 for the "K'S KIDS AND DEVICE" mark in the name of Anil Kapahi and Suraj Kapahi should be denied.


A Notice To Answer was issued to and received by respondents-applicants on April 12, 2007. A **MOTION FOR EXTENSION OF TIME** to file a verified answer having been filed by respondents-applicants on May 16, 2007 which was granted per Order No. 2007-901 giving respondents-applicants until June 11, 2007 to file a verified answer, respondent-applicant filed on May 25, 2007 a verified **ANSWER** which admitted Paragraphs 2 and 3 of the verified **NOTICE OF OPPOSITION**; denied the rest of the allegations therein, and alleged the following affirmative defenses:

1. The mark "K'S KIDS AND DEVICE" is not internationally well-known in any class of goods and/or services based on the standards of the IP Code;

2. Under the First-To-File Rule, the application hereto opposed should be allowed there being no application filed by opposer for the same mark in this country having an earlier filing date;

3. The opposition should be dismissed as the certification on non-forum shopping is defective;

4. The affirmative defenses are explained in detail in the affidavit (s) of the witnesses attached to and incorporated by way of reference to said verified **ANSWER**; and



5. Respondents-applicants also object to the admissibility of the documents that are enclosed in the verified **NOTICE OF OPPOSITION** for being mere photocopies.

On June 12, 2007, opposer filed a **REPLY [Re: Answer dated 02 May 2007]** specifically denying the allegations in the verified **ANSWER**; and the allegations in Paragraphs 2, 3, 3.1, 3.2, 4, 4.1, 5.0, 6.0, 6.1, 7.0, and 8.0 of the Affidavit dated May 24, 2007. Opposer put forth, moreover, the following affirmative allegations: 1) That the entire tenor of the verified **ANSWER** hinges on a general, self-serving, and unsubstantiated denial of the same without adducing any proof to the contrary; 2) Respondents-applicants would have specifically provided for their defenses and specifically denied opposer's allegations if they truly has a meritorious defense to any of opposer's claims; and 3) Respondents-applicant's own declaration of general denial constitutes an admission of all of opposer's allegations in the verified **NOTICE OF OPPOSITION** in any event. Opposer put forth, further, counter-arguments essentially as follows: 1) The "K'S KIDS AND DEVICE" mark is internationally well-known in accordance with the standards set by the IP Code and as established by the overwhelming evidence presented by opposer in its verified **NOTICE OF OPPOSITION** contrary to respondents-applicants' claims; 2) The First-To-File Rule has no application in the instant case as respondents-applicants were in bad faith when they filed their application before this Office; 3) The evidence submitted by opposer in its opposition are certified copies of documents in full compliance with the rules on evidence; and 4) The verification and certification against non-forum shopping of the verified **NOTICE OF OPPOSITION** is not legally defective as the signatory therein was duly authorized to execute the same contrary to respondents-applicants' misleading claim.

Pre-trial was set on July 17, 2007. Only opposer's counsel appeared who moved that respondents-applicants be deemed to have waived their right to file their position paper and draft decision which was granted. On August 02, 2007, opposer filed its position paper and draft decision.

The issues to be resolved herein are as follows:

- 1) Whether opposer's and respondents-applicants' respective marks are confusingly similar;
- 2) Whether opposer's mark is internationally well-known;
- 3) Whether respondents-applicants are entitled to the registration of the "K'S KIDS AND DEVICE" mark.

Section 123.1 (e) of the IP Code provides:



“A mark cannot be registered if it:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority in the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods . . . *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;”

There is no question that opposer’s and respondents-applicants’ respective marks are used on the same and/or related goods: These goods essentially are and/or pertain to children’s needs and other articles for children.

A side by side comparison of opposer’s and respondents-applicants’ respective marks is hereunder shown:

Opposer’s Mark

Respondents-Applicants’ Mark



Except for the dotted ribbon-like figure between the figure of a head and the words “K’s Kids” in opposer’s “K’S KIDS AND DEVICE” mark, opposer’s and respondents-applicants’ respective marks are almost identical: The head figure starts with a line from the upper left going counterclockwise in circle, almost closing the circle but the line ends with an upward curving sweep to the right; in both head figures, two (2) dots denote the eyes while a curved line below the

eyes denote the mouth; and the words "K's Kids" are written below the head figure in the same scripted font. Visually, the two marks are almost identical. Aurally, the words "K's Kids" for both marks are the same.

As to the first issue of confusing similarity between Respondent-Applicant's K's Kids and Device and Opposer's K's Kids & Device, this Bureau rules in the affirmative.

As to the second issue of whether or not Opposer's "K'S KIDS AND DEVICE" is an internationally well-known mark, this Bureau rules in the negative.

Section 123.1 (e) of the IP Code provides for the requisites wherein a mark cannot be registered in view of the existence of another mark, provided the following requisites concur:

- 1) the mark applied for is identical or confusingly similar to, or constitutes a translation of the other mark;
- 2) the other mark is considered by the competent authority of the Philippines, that is, either the Director General or the Director of the Bureau of Legal Affairs (BLA), to be well-known internationally and locally, that is, in the Philippines, provided that account shall be taken of the knowledge of the relevant sector of the public rather than of the public at large including knowledge in the Philippines obtained as a result of the mark's promotion;
- 3) the other mark may or may not be registered; and
- 4) the goods to which applicant's mark is being used are the same or similar to the goods to which the other mark is being used.

Section 123.1 (e) of the IP Code provides that a mark shall be considered well-known if it is well-known internationally; **and** locally, that is, in the Philippines (Underscoring supplied.). That a mark is well-known is logically hinged on actual use thereof, and actual use is shown by the sale to the public of goods bearing said mark (**Kabushiki Kaisha Isetan v. Intermediate Appellate Court, et al. G. R. No. 75420, November 15, 1991, citing The Parties Convention Commentary on the Paris Convention. Article by Dr. Bogach, Director General of the World Intellectual Property Organization, Geneva, Switzerland, 1985**). Sales invoices and/or official receipts are the best proof that there are actual sales to the public of a trader's products (**Converse Rubber Corporation v. Universal Rubber Products, et al., G.R. No. L-27906, January 8, 1987**). Any sale made by a legitimate trader from his store is a commercial act establishing trademark rights since such sale is made in due course to the general public (**Converse Rubber Corporation v. Universal Rubber Products,**

et al., supra). The mere origination or adoption of a particular trademark without actual use thereof in the market is insufficient to give any exclusive right to its use even though such adoption is publicly declared, such as by use of the name in advertisements, circulars, price lists, and on signs and stationery (**Kabushiki Kaisha Isetan v. Intermediate Appellate Court, et al., supra, citing Consumers Petroleum Co. v. Consumers Co. of Ill. 169 F 2d 153 and Johnson Mfg, Co. v. Leader Filling Stations Corp. 196 N.E. 852, 291 Mass. 394).**

To be considered well-known pursuant to the IP Code, the actual sale of goods bearing the mark must be made not only internationally but also in the Philippines (**Kabushiki Kaisha Isetan v. Intermediate Appellate Court, et al., supra; and Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et al., G.R. No. L-19906, April 30, 1969).** To be considered well-known in the Philippines, in turn, the mark must be actually known or used in commerce in the Philippines. "Actual use in commerce" of a mark means that the goods on which the mark is used are sold or carried on in trade in the country; or are imported into, and thereafter sold in the Philippines. Adoption alone of a mark is not sufficient either to acquire ownership thereof or to give exclusive right thereto as adoption is not equivalent to use (**Bata Industries, Ltd. v. Court of Appeals, et al., G. R. No. L-53672 May 31, 1982; Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesselschaft, supra).**

Actual use of a mark is shown by sale to the public of goods bearing such mark. Again, sales invoices and/or sales receipts provide the best proof of actual sales of a product, and that there is actual use for a certain period of the trademark through such sales. (**Converse Rubber Corporation v. Universal Rubber Products, Inc., supra).**

In the case herein, opposer alleges that it has been selling products in the Philippines bearing the "K'S KIDS AND DEVICE" mark as early as 2002. To prove this allegation, opposer offered in evidence e-mail correspondence between its intermediary and distribution arm, Paka Preschool, and its local distributor in the Philippines, Rustan's (Exhibits "R" and "S") showing a placement of orders over goods such as playmats and a range of toys bearing the 'K'S KIDS AND DEVICE" mark made by Rustan's to Paka Preschool which the latter accepted (Exhibits "R" and "S"). Invoices of sale transactions dated August and October 2002 between Paka Preschool and Rustan's over such goods bearing the "K'S KIDS AND DEVICE" mark were offered in evidence by opposer to prove that there was actually a sale and importation/delivery thereof to the distributor in the Philippines (Exhibits "T" to "T-3"). However, no proof was offered by opposer to show that there were actual sales, albeit for a certain period, to the public internationally and within the Philippines of said goods bearing opposer's "K'S KIDS AND DEVICE": No sales receipts/invoices were



offered in evidence to show such sales in the Philippines.

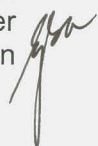
Moreover, there is no evidence on record which shows that opposer's mark is promoted in the Philippines such that there is that level of knowledge of opposer's mark by the sector of the public patronizing baby and/or kids' products which qualifies opposer's mark to be declared as well-known. The documentary evidences submitted by opposer in the form of pages downloaded from opposer's website do not prove any thing other than the fact that the items shown therein are opposer's products, and that they are identified by the peculiar descriptions indicated therein. The existence of these documentary evidences do not necessarily mean that opposer's products bearing opposer's mark are already being promoted in the Philippines by the mere fact that these can be seen, accessed, and bought through the internet.

Opposer's "K'S KIDS AND DEVICE" mark cannot be declared as well-known in the Philippines and this Bureau so declares that it is not well-known in the Philippines.

Having ruled thus, opposer's "K'S KIDS AND DEVICE" mark is not a well-known mark.

Finally, under the Intellectual Property Code, R.A. 8293, the First-To-File Principle rather than the Prior Use Principle govern the applications for registration of a mark filed during the effectivity of the IP Code, unless a party is able to prove by substantial evidence prior use of the mark during the effectivity of R.A. No. 166, the (old) Trademark Law or before the effectivity of the IP Code, because in such case, said party is deemed to have acquired a vested right which must be protected. Section 123.1 (d) in conjunction with Section 124.2 of the IP Code supports the First-To-File Principle. A reading of Section 124.2 which provides that "The applicant shall file a declaration of actual use of the mark with evidence to that effect within three (3) years from the filing date of the application", the failure of which shall be cause for the application to be refused or the mark removed from the Trademarks Register all the more shows that prior use is not a requirement for registration: An applicant need not prove at the time of the application that there is actual use of the mark prior or even during the application but he has to prove that there is actual use of the mark through a declaration of actual use with the evidence attached thereto, which declaration may be filed within three (3) years from filing of the application, under Sec. 124 of R.A. 8293. If these conditions are not met, the application shall be refused or the mark removed from the Trademarks Register.

In the case herein, records show that respondents-applicants' Application Serial No. 4-2003-011772 for the mark 'K'S KIDS AND DEVICE" for goods under Classes 3, 5, 8, 10, 11, 12, 16, 18, 20, 21, 24, 25, 26, 27, and 28 was filed on



December 23, 2003 while opposer's Application Serial No. 4-2006-012229 for the mark "K'S KIDS" for goods under Class 28 was filed on November 10, 2006.

Section 123.1 (d) of the IP Code provides:

"A mark cannot be registered if it:

(d) Is identical with a mark with an **earlier filing or priority date**, in respect of:

- (i) The same goods . . . or
- (ii) Closely related goods . . . or
- (iii) If it nearly resembles such a mark as to be likely to deceive or to cause confusion . . ." (Underscoring supplied.)

In view of Sections 123.1 (d) of the IP Code and the applicable jurisprudence as discussed, this Bureau rules in the affirmative as to the third issue. Respondent-applicant is entitled, in fine, to the registration of the mark "K'S KIDS AND DEVICE".

WHEREFORE, the opposition is, as it is, hereby **DENIED**. Consequently, Application Serial No. 4-2003-011772 for the mark "K'S KIDS AND DEVICE" for goods under the following classes:

1. Class 3 – soaps, perfumes, detergents, shampoo, lotion, toiletries, talcum powder, bath oils, cotton buds, and cotton hook;
2. Class 5 – pharmaceutical lotions, sterilizer tablets, sanitary pads, sanitary napkins, sanitary pants, and sanitary panties;
3. Class 8 – spoon, fork, knife (plastic, stainless steel), nail clipper/cutter, nappy clamps, and cutlery sets;
4. Class 10 – feeding bottles, pacifiers/soothers/pacifier holder; teethers and rattles (hard/soft bite, vinyl, water-filled); teats/nipples; bottle nipple; thermometer, medical care kits, medicine spoon, medicine dropper, ear syringe, nasal aspirator, medicine syringe, sheets for incontinence for medical use, breast pump, medicine cases, breast nursing pads, cotton applicators;
5. Class 11 – bath tubs, hot plates, safety lamps, sterilizers, bottle heaters, bottle warmer, warmers;



6. Class 12 – baby strollers, baby stroller covers, baby carriage, baby carriers, and walkers;
7. Class 16 – disposable diaper, baby napkins, tissue paper, and baby wipes;
8. Class 18 – bags
9. Class 20 – cribs, baby rocking chair, air cushions, bolsters, cabinets, chimes, hangers, covers, accessory display boards, dressing table pillows, picture frame, shelves, cot bumper pads;
10. Class 21 – training cups, juice cups, snack cups, feeding dishes and bowls; toothbrush and its holder; melamine set (divider plate [round, rectangular, oval, plate and bowl with suction base]) milk powder container; brush, finger toothbrush, pins, bottle racks, hairbrush, haircomb, drinking cups, feeding cups, nursery cup-set, mugs, breakers, bottles, plates, saucers, dishes and bowls, tumblers, containers for mild powder, milk powder dispensers, powder puff containers, and soap boxes;
11. Class 24 – wash cloth, hooded blanket, comforter, bed cloth, bed cover linen, pillow case, bolster cases, cot sheets, towels, cradle nets, mosquito nets, aircushions and mattresses for babies, and towels;
12. Class 25 – tie side (sleeveless, short sleeves, long sleeves); T-shirt, undershirt, panty training panty) shorts, pajama sets, romper, terry frog suit, gown, mittens, booties, bibs, shoes, baby clothing such as T-baby shirts, undershirts, baby dresses, shorts, and gloves;
13. Class 26 – cloth hooks;
14. Class 27 – baby mats, mats and matting, rubber mats, rubber backed mats, rubber air-filled cot sheets; and
15. Class 28 – playthings, musical mobiles, activity play gym, rattles, toy blocks, toy cups and barrels, plush toys, balls, and teddy bears

filed on December 23, 2003 by Quinns Marketing Services Limited is, as it is hereby, **GIVEN DUE COURSE**.

Let the filewrapper of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, September 28, 2007.



ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs