Republic of the Philippines
Department of Trade and Industry
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

INTEL CORPORATION and INTEL TECHNOLOGY PHILIPPINES, INC.,
Petitioners-Appellants,

-versus-

SEC En Banc Case No. 08-09-173
For: Change of Name

ATTY. VERNETTE G. UMALI-PACO, in her capacity as the General Counsel of the Securities and Exchange Commission, and INTELCHEM PHIL., INC.,
Respondents-Appellees.

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DECISION

Before the Commission *En Banc* is the *Appeal* dated 6 August 2009 filed on 7 August 2009 by Intel Corporation ("Intel") and Intel Technology Philippines, Inc. ("ITPI"), collectively referred to hereinafter as petitioners-appellants, seeking the reversal and setting aside of the 23 July 2009 Order ("Assailed Order") of the Commission's General Counsel, Atty. Vernette G. Umali-Paco. The Assailed Order dismissed petitioners-appellants' Verified Petition for change of name against Intelchem Phil., Inc. ("respondent-appellee").

Petitioner-appellant Intel is a foreign corporation organized under the laws of the State of Delaware, United States of America ("USA").[1] Petitioner-appellant ITPI is a Philippine subsidiary of petitioner-appellant Intel.[2] On the other hand, respondent-appellee is a domestic corporation.[3]

In essence, the Assailed Order dismissed petitioners-appellants' Verified Petition on the ground that the corporate names of the parties are not deceptively and confusingly similar, considering that the goods and services involved are different and distinct from each other, to wit:

> "The products involved in the instant case are distinct and different from each other. Microchips, microprocessors, integrated circuits and other computer-related electronic products sold by Intel are totally unrelated to the paints, lacquers, varnish, and the like produced by respondent. To use the words of the Supreme Court, the goods of the petitioners and respondent are 'so foreign to each other as to make it

[1]Memorandum on Appeal, p. 3.
[2]Ibid, p. 4.
[3]Ibid.

unlikely that purchasers would think that petitioner is a manufacturer of respondent's goods.' For this reason, the argument of petitioners that the public may be misled into believing that Intelchem and its activities are associated with those of petitioners has no basis to support it and must therefore fail."

In this *Appeal*, petitioners-appellants make the following assignment of errors:

"A.

Whether or not Respondent-Appellee's corporate name INTELCHEM is deceptively and confusingly similar to the trademark, tradename and corporate name INTEL.

B.

Whether or not Petitioners-Appellants have the right to compel Respondent-Appellee Intelchem to change its corporate name."

Petitioners-Appellants anchor their *Appeal* on the following:

"A.

Law and jurisprudence hold that a junior user of a well-known mark on goods or services which are not similar, and are therefore unrelated to, the goods or services specified in the certificate of registration of the well-known mark is precluded from using the same on such entirely-unrelated goods or services.

B.

Accordingly, Petitioners-Appellants can compel Respondent-Appellee to change its corporate name under Section 18 of the Corporation Code in relation to Section 3, 147 and 165 of the Intellectual Property Code ('IP Code')"

The foregoing assignment of error and ground(s) as well as petitioners-appellants' discussion thereon reveal that the lone issue is whether the protection of a well-known mark is not limited to similar goods or services but extends to dissimilar and entirely unrelated goods or services

We find for respondent-appellee.

Petitioners-appellants' invocation of the 2003 case of *246 Corporation vs. Daway, et al.*[4] to support their claim that the protection of well-known mark unqualifiedly extends to dissimilar and unrelated goods is misplaced. A careful reading of the case reveals that the real issue therein was whether the trial court gravely abused its discretion (1) in denying petitioner's motion for preliminary hearing on affirmative defenses with motion to dismiss, and (2) in quashing the subpoena *ad testificandum*. The real issue goes into the legality or propriety of the said rulings of the trial court rather than on the question of what is the extent of protection afforded to well-known marks. As a matter of fact, the trial court had yet to conduct trial and rule on the merits of the case. Accordingly, this case is not a definitive authority on the issue herein under consideration.

Neither is the case of *Ang vs. Teodoro*[5], which is likewise cited by the petitioners-appellants, as it is still of 1942 vintage and considering the pertinent provisions of the Intellectual Property Code ("IP Code")[6], as discussed hereunder.

There is, however, definitive authority to support the contrary view. In the 2004 case of *Mighty Corporation, et al. vs. E. & J. Gallo Winery, et al.*[7], the Supreme Court adopted certain guidelines/conditions before one may invoke Article *6bis* of the Paris Convention for the Protection of Industrial Property ("Paris Convention") and be entitled to its protection, to wit:

a) the mark must be internationally known;
b) the subject of the right must be a trademark, not a patent or copyright or anything else;
c) the mark must be for use in the same or similar kinds of goods; and
d) the person claiming must be the owner of the mark.

The said case of *Mighty Corporation*, while decided under the old Trademark Law[8], is still good case law because it is, nonetheless, consistent with the pertinent provisions of the Paris Convention and of the IP Code.

Article *6bis* of the Paris Convention states that:

> "(1) The countries of the Union undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and prohibit the use of a trademark

[4]G.R. No. 157216, 20 November 2003.
[5]G.R. No. L-48226, 14 December 1942.
[6]Republic Act No. 8293 (1998).
[7]G.R. No. 154342, 14 July 2004.
[8]Republic Act No. 166 (1947), the precursor of the IP Code.

> which constitutes a reproduction, imitation or translation, liable to create confusion, of a mark considered by competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of the present Convention and ***used for identical or similar goods.*** *xxx.*" (Emphasis ours).

This treaty obligation for the protection of well-known marks is now being implemented through Subsections 123.1 (e) and (f) in relation to Subsection 147.2 of the IP Code, which read:

> "Sec. 123. *Registrability.* – 123.1. A mark cannot be registered if it:
>
> xxx xxx xxx
>
> (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, ***whether or not it is registered here***, as being already the mark of a person other than the applicant for registration, ***and used for identical or similar goods or services***. xxx.
>
> (f) Is identical with, confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, ***which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for***. *Provided*, That use of the 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;
>
> xxx xxx xxx." (Emphasis ours)

It is clear from the afore-quoted Subsections 123.1(e) and (f) of the IP Code that **a well-known mark is**, under certain conditions, **protected even with respect to dissimilar goods/services as long as the same is registered in the Philippines**; **otherwise**, if it is not so registered, **the protection is with respect only to identical or similar goods/services**.

This position is confirmed by a latter provision, Subsection 147.2, of the IP Code, to wit:

"Sec. 147. *Rights Conferred.* – 147.1. xxx.

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.*** xxx."

It is worth stressing that the above provisions of the IP Code are consistent with Article *6bis* of the Paris Convention. At any rate, as likewise held in the afore-cited case of *Mighty Corporation*, following universal acquiescence and comity, in case of domestic legal disputes on any conflicting provision between the Paris Convention (which is an international agreement), or any other treaty for that matter, and the Trademark Law -- now the IP Code -- (which is a municipal law), the latter shall prevail.

In the case at bar, there is no dispute that the goods and/or services of the parties are dissimilar, different and distinct from each other. We agree with the General Counsel's findings that the microchips, microprocessors, integrated circuits and other computer-related electronic products of petitioners-appellants are totally unrelated to the paints, lacquers, varnish, and the like, of the respondent-appellee. The descriptive properties, physical attributes and essential characteristics with reference to the form, composition, texture and quality of the former are undeniably distinct from the latter. The former are basically electronic, the latter essentially chemical. The former are for computers, the latter are for furniture and the like. They cater to different sets of purchasers with different purchaser attitudes and character, and flow through different channels of trade.

Petitioners-appellants' claim of extensive use of chemicals in the manufacture of computer chips[9] cannot operate to provide the *nexus* between their products and those of the respondent-appellee. It matters not that petitioners-appellants are huge buyers and users of chemicals[10], because these chemicals are not their end-products. For such *nexus* to exist, these chemicals must be the products being peddled by the petitioners-appellants to the public, because it is in such dealing with the buying public that one's goodwill is built and established.

Further, "*Intel*" and "*Intelchem*" in themselves are not confusingly similar. As a matter of fact, the General Counsel found that "*Intelchem*" is a coined term, which finding is not even being disputed in this *Appeal*. The General Counsel said:

"xxx. As it is, *Intel* can hardly be confused with *Intelchem*. As observed by respondent, petitioners and respondent have been co-

[9] Supra, Note 1, pp. 9-10.
[10] Ibid. p. 15.

existing for almost ten (10) years, and there has never been any confusion, which arose from their corporate names. It can be said that Intelchem is a coined term that is descriptive of its products, that is, paints and other finishing material."[11]

WHEREFORE, premises considered, the instant *Appeal* is hereby **DISMISSED** for lack of merit, and the Order of the General Counsel dated 23 July 2009 is hereby **AFFIRMED**.

SO ORDERED.

Mandaluyong City, 17 March 2011.

FE B. BARIN
Chairperson

MA. JUANITA E. CUETO
Commissioner

RAUL J. PALABRICA
Commissioner

MANUEL HUBERTO B. GAITE*
Commissioner

ELADIO M. JALA
Commissioner

[11] Assailed Order, p. 5.
*On Official Travel