

BLUEFLY, INC.

Opposer,
- versus -

KUNG YI SHAN a.k.a. KEVIN KING
Respondent-Applicant.

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IPC 14-2006-00133

Opposition to:
Serial No.: 4-2003-006402
(Filing Date: 27 July 2003)

TM: "BLUEFLY"

Decision No. 2004-54

DECISION

Before this Office is an Opposition filed by Bluefly, Inc., a corporation duly organized and existing under the laws of the United States of America, with business address at No. 42 West 39th Street, New York, NY 10018, U.S.A., against the application for registration for registration of the trademark "BLUEFLY" for wearing apparels under Class 25, with Application Serial No. 4-2003-006402 and filed on 17 July 2003 in the name of Respondent-Applicant, Kung Yi Shan aka KEVIN KING with business address at No. 1558 Narra Street, Tondo, Manila.

The facts and grounds upon which the opposition to the registration of the trademark BLUEFLY were anchored are as follows:

"1. It is a publicly traded company organized in 1998 under the laws of the United States of America, with business address at No. 42 West 39th Street, New York, NY 10018, U.S.A. Opposer may be served with processes of this Honorable Office through its undersigned counsel, which has been duly authorized for the said purpose.

"2. In June 1998, after extensive consumer research and development of business plan, design concepts and writing code, Opposer launched its website, <http://www.bluefly.com>, designed to offer customer brand name designer apparel and home accessories at significant discount prices. A copy of bluefly.com's homepage is attached as Exhibit "A" hereof.

"3. At present, Opposer is leading online retailer of top designer brands of apparel and accessories, including (a) A.B.S., BCBG Max Azria, BCBGirls, Catherine Malandrino, Chanel, Christian Dior, Diane Von Furstenberg, Diesel, Dolce & Gabbana, Elie Tahari, Fendi, Guiseppa Zanotti, Gucci, Jimmy Choo, Joie, Kooba, Michael Kors, Nicole Miller, Prada, Rebecca Beeson, Rebecca Taylor, Susana Monaco, Tocca, Vera Wang, Vince and Ya Ya, for women; and (b) 2xist, Adam, Ben Sherman, Bruno Magli, Diesel, Dolce & Gabbana, Generra, Gucci, John Varvatos, Joie, Kenneth Cole New York, Kenneth Cole Reaction, Le Tigre, Michael Kors, Prada, Ralph Lauren Polo, Theory and Zagna, for men. A complete list of designer brands for men and women's apparel and accessories downloaded from bluefly.com is attached as Exhibit "B" hereof.

"4. Opposer likewise a leading online retailer of brand name home furnishings designed by 525 America, Anichini, Area, Bellino, Bulgari, Cartier, Christian Dior, Down Etc., Dwell, Emilio Pucci, Etro, Frette, Gucci, Hermes, International Silver, Jonathan Adler, Kashmere, Kenneth Jay Lane, Lai, Mikasa, Mirabello, Muse, Not Neutral, Paul Smith, Prada, Rosenthal, Sferra Bros., Thomas Paul, Tod's, Towle, Tracy Porter, Trudeau, Vera Wang, Versace, Via Brera, Wallace and Waterford.

"5. Opposer sells its products within the United States and likewise ships its products to its customers in Australia, Brazil, Canada, Hong Kong, Japan, Mexico, New Zealand, Puerto Rico and Switzerland.

"6. In the course of its online retail business, Opposer uses the mark BLUEFLY.

"7. As owner and prior user of the mark BLUEFLY, Opposer has registered the BLUEFLY mark in several countries, including Canada, the European Community, Indonesia, Japan, Korea and the United States. In addition, Opposer had applied for several registrations of said mark in other countries, including Thailand, Indonesia, and the United States, BLUEFLY was first registered in the United States Patent and Trademark Office (USPTO) on June 11, 2002 for goods under Class 35, particularly, computerized online retail services, featuring apparel, accessories and home furnishing, based on Opposer's first use of the mark in commerce on September 2, 1998. A copy of Registration No. 2579760 found in the USPTO's website is attached as Exhibit "C" hereof.

"8. Opposer was likewise issued Certificate of Registration No. 27869397 by the USPTO on September 30, 2003 for the mark BLUEFLY for goods under Class 35, particularly, mail order catalog services featuring apparel, accessories and home furnishing, based on Opposer's first use of the mark in commerce on November 17, 2001. A copy of Registration No. 2769397 found in USPTO's website is attached as Exhibit "D" hereof.

"9. Opposer also applied for six additional registrations with the USPTO for marks that include the BLUEFLY word, including Application Serial No. 76642014 for the mark BLUEFLY, filed on June 30, 2005. The application covers goods under Class 25, namely, men's women's and children's clothing, namely, caps, belts, blazers, blouses, pants, coats, shirts, dresses, gloves, hats, hosiery, jackets, jeans, lingerie, skirts, scarves, shoes, shorts, sleepwear, socks, suits, sweatshirts, sweaters, swimwear, ties, t-shirts and underwear, which application was published for opposition on September 5, 2006. A copy of Application Serial No. 76642014 found in the USPTO's website is attached as Exhibit "E" hereof.

"10. In 2005, Opposer sold over US \$58.8 million worth of merchandise under the BLUEFLY mark. In 2006, through the end of June, Opposer sold over US \$33 million worth of merchandise under the BLUEFLY mark. From 2001 to June 30, 2006, Opposer sold over US \$227 million worth of merchandise under the BLUEFLY mark. In 2005, Opposer likewise spent over US \$19 million in promoting its products under the BLUEFLY mark. In 2006, through the end of June, Opposer spent over US \$13 million promoting and advertising its products under the BLUEFLY mark. From 2001 to June 30, 2006, Opposer spent over US \$71 million in promoting and advertising its products under the BLUEFLY mark.

"11. In the course of Opposer's extensive and notorious use and appropriation of the BLUEFLY mark to identify its online retail business, the BLUEFLY mark was firmly established and has obtained goodwill and general international consumer recognition as belonging to only one source, i.e., Bluefly, Inc. Accordingly, the consuming public has closely identified the BLUEFLY mark refer to Opposer's online retail business and no other.

"12. Sometime in June 2006, Opposer learned of Respondent-Applicant Kung Yi Shan a.k.a. Kevin King's application for registration of the mark BLUEFLY.

"13. Respondent's Application No. 4-2003-006402 was filed on July 17, 2003 and covers goods under Class 25, particularly, dresses, jackets, coats, blazers, sweaters, suits, blouses, t-shirts, pants, shorts, skirts, bloomers, pajamas, negligee, towels, bath robes, swimsuits, socks, lingerie, under shirts, bras, panties, bikinis, and girdles.

"14. Considering the substantial investment made by Opposer for the promotion of its BLUEFLY mark, it would be greatly damaged and prejudiced, and Respondent would be unduly enriched at the expense of Opposer, with the registration of the mark BLUEFLY in

Respondent's name. Hence, Opposer respectfully opposes Respondent's application on the following grounds:

- a. Respondent's BLUEFLY mark is identical or otherwise confusingly similar with Opposer's BLUEFLY mark;
- b. Opposer has the exclusive right to use the mark BLUEFLY being the prior owner and user of an internationally well known mark.

"15. Juxtaposing Respondent's and Opposer's mark, it is very clear that Respondent's mark is identical with Opposer's BLUEFLY mark, which Opposer has exclusively appropriated and used and has become distinctive of its online retail business.

"16. Respondent's use of BLUEFLY mark would indicate a connection between Respondent's goods and Opposer, and would likely damage Opposer's interest. The consuming public will likely perceive that Respondent's goods are approved, sponsored or sold by Opposer, or that Respondent's products originate from Opposer's website, bluefly.com especially considering that Respondent's Application No. 4-2003-006402 covers the same goods sold over Opposer's website, bluefly.com.

"17. It is apparent that Respondent's mark is calculated to ride on or cash in on the popularity of the BLUEFLY mark, which undoubtedly has earned goodwill and reputation through its extensive use since 1998. Notably, Application No. 4-2003-006402 was filed with this Honorable Office only on July 17, 2003, or several years after Opposer first use of the BLUEFLY mark in commerce and after Opposer has registered said mark with the USPTO. Verily, Respondent has taken unfair advantage of the distinctive character of Opposer's well-known mark BLUEFLY.

"18. As the owner of the well-known mark BLUEFLY, Opposer has a vested right to the exclusive use of its mark for its goods and services, to the exclusion of others.

"19. Opposer will suffer grave and irreparable injury to its goodwill, reputation and business as a whole with the registration of the mark BLUEFLY in favour of Respondent. Under the circumstances, Respondent's Application No. 4-2003-006402 for BLUEFLY must be denied.

"20. With the filing of this opposition, Opposer asserts its right to the ownership of the mark BLUEFLY and its exclusive right to use the same.

The Notice to Answer dated 02 October 2006 was sent to Respondent-Applicant through his Counsel, Cases Corpus & Associates Law Offices, by registered mail and it was received by Respondent-Applicant on 05 October 2006 per Registry Return Card C-2311. for failure of the Applicant to file an Answer within the prescribed period or within the extended period granted by virtue of Order No. 2007-138, this Bureau in Order No. 2007-370 dated 23 February 2007, declared Respondent-Applicant to have waived his right to file the verified answer and accordingly resolved to submit the case for decision.

Considering that the case was mandatorily covered by the Summary Rules under Office Order No. 79, this Bureau directed Opposer to file all evidence in original and duplicate copies, and in compliance with said Order, Opposer through Counsel filed its Notice of Opposition on 22 September 2006 and filed motions thereafter to admit evidence. Pursuant to Order No. 2007-452, the attached original documents subjects of these aforementioned motions were admitted on 14 March 2007.

Filed as evidence for the Opposer, based on the records, are the following:

1. Copy of bluefly.com homepage - Exhibit "A"

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| 2. | List of the designer brands for men and women's apparel and accessories downloaded from bluefly.com | - | Exhibit "B" |
| 3. | Copy of USPTO Registration No. 2579760 for the bluefly trademark to be applied on goods under Class 35 | - | Exhibit "C" |
| 4. | Copy of USPTO Registration No. 2769337 for the trademark bluefly to be applied on goods under Class 35 | - | Exhibit "D" |
| 5. | Copy of USPTO Application Serial No. 76642014 for the mark bluefly covering goods under Class 25 | - | Exhibit "E" |
| 6. | Notarized affidavit of Mani Thess Q. Peña-Lee | - | Exhibit "F" |
| 7. | Certificate of filing of Application No. 574781 for the service mark "BLUEFLY" with the Thai Trademark Office (Class 35) | - | Exhibit "G" |
| 8. | Certificate of Registration Nos. 4310588 and 4310590 for the trademark "bluefly & Fly device for classes 25 and 35 obtained on August 27, 1999 from Japan Patent Office | - | Exhibit "H" |
| 9. | Supplemental affidavit of Ms. Peña-Lee | - | Exhibit "I" |

Admitted likewise were the following: Certificate of Registration No. 630,657 for the trademark BLUEFLY (Class 35) issued by the Canadian Intellectual Property Office, (Exhibit "J"); Certificate of Registration No. 125,952 for the trademark BLUEFLY (Class 35) issued by the Korean Intellectual Property Office (Exhibit "K"); Certificate of Registration Nos. 2,769,397 and 2,579,760 for the trademark BLUEFLY issued by the United States Patent and Trademark Office (Exhibit "L"); Trademark Application Serial Nos. 76/663,628; (Exhibit "M"); Trademark Application Serial Nos. 76/642,013 and 76/642,015 for the mark THAT'S WHI I BLUEFLY (Exhibit "N"); copies of Certificate of Registration Nos. 001796218 and 000907253 for the marks BLUEFLY and BLUEFLY AND DESIGN (Exhibit "O"); and authenticated Secretary's Certificate and Power of Attorney.

For consideration in particular is the propriety of Application Serial No. 4-2003-006402. Resolution by this Office is called for on the following issues:

1. whether or not there is confusing similarity between Opposer's BLUEFLY trademark and its variations applied on different products but primarily for online retail services under class 35 vis-à-vis Respondent-Applicant's mark, BLUEFLY & DEVICE covering goods under class 25 namely dresses, jackets, coats, blazers, sweaters, suits, blouses, t-shirt, pants, shorts, skirts, bloomers, pajamas, negligee, towels, bath robes, swimsuits, scarves, socks, lingerie, under shirts, bras, panties, bikinis, and girdles;
2. whether or not Respondent-Applicant's trademark application for the mark BLUEFLY should be granted registration;

The above issued requires a careful comparison and scrutiny of the marks involved; determine the points where these labels as they appear on the goods to which they are attached are similar, in spelling, sound and manner of presentation or general appearance. There can be no doubt that the competing marks are similar, in fact obviously identical, in almost all of their essential or prevalent features. Both marks are printed in horizontal form using bold and upper case letters. Opposer has other variations of the same trademark BLUEFLY using the lower case letters, all of which Opposer were able to obtain registration dating as far back as the year 1998 and in many countries worldwide such as United States, Australia, Canada and Japan, to name a few.

Opposer has adopted the trademark BLUEFLY primarily for online retail services, in all likelihood, Respondent-Applicant may have surfed or at one time may have visited or made connection to Opposer's website, among many others. Verily, the easy or instant accessibility to Opposer's website <http://www.bluefly.com> keep those interested constantly aware of the latest in fashion, home furnishings and the like, including information on what are the leading designer brands or brand names that have already established goodwill or earned good business reputation in the global market.

More importantly, the BLUEFLY as work mark is not generic, the world is a combination of two generic terms, the combination of which is Opposer's original concept or creation which entitles Opposers to prevent Applicant from using the same word combination. The world BLUEFLY as used by Opposer is not a descriptive trademark it is arbitrary. It does not describe the nature or identity of the product or service for which it is used. Such world- combination as Opposer's trademark is not one that would naturally occur to Respondent-Applicant or any other trader for that matter to use and/or conceptualize for online retail services or for wearing apparels, accessories and home furnishings, under the Classes 35 and 25 respectively.

The Court is Etepha vs. Director of Patents, (G.R. No. L-20635, March 31, 1966) had this to say in world-combination:

"Tussin" is merely descriptive; it is generic; it furnishes to the buyer no indication of the origin of the goods; it is open for appropriation by anyone...xxx... While "tussin" by itself cannot thus be used exclusively to identify one's goods, it may properly become the subject of a trademark "by combination with another word or phrase"

Example of two-word marks:

OLD NAVY	-	for wearing apparels, bags
NINE WEST	-	for shoes and bags
COOL WATER	-	for perfumery
HUSH PUPPIES	-	for shoes
YELLOW CAB	-	for pizza business

Likewise, the case of ANDRES ROMERO, petitioner, vs. MAIDEN FORM BRASSIERE CO., INC. and THE DIRECTOR OF PATENTS, G.R. No. L-18289, March 31, 1964, respondents, is one case relevant to and decisive of this particular point when the court ruled:

"The trademark "Adagio" is a musical term, which means slowly or in an easy manner, and when applied to brassieres is used in an arbitrary (fanciful) sense, not being a common descriptive name of a particular style of brassieres, and is therefore registrable".

Similarly, in Philippine Nut Industry, Inc. vs. Standard Brands Incorporated as aforesaid, G.R. No. L- 23035, July 31, 1975, the Court ruled that:

While it is true that PLANTERS is an ordinary word, nevertheless it is used in the labels not to describe the nature of the product, but to project the source of origin of the salted peanuts contained in the cans.

Having shown and proven resemblance of the two marks at issued, we now delve on the matter of priority in use which certainly has decisive effect in the adjudication of the case. From the evidence presented, the stand of Opposer as prior user was put forth with plausibility. Opposer has been in the business and was using the trademark BLUEFLY on goods under Class 35 since 1998 in New York City (Exhibit "L", Opposer), as well as on goods belonging to Class 25, which BLUEFLY trademark Opposer was able to obtain registration in Japan on 27 August 1999 (Exhibit "H", Opposer). As held in the case of Unno Commercial Enterprises, Inc. vs. General Milling Corporation *"prior use by one will controvert a claim of legal appropriation by*

subsequent users". Hence, may be concluded inevitably that Respondent-Applicant's use of identical mark on the same or related goods will result in an unlawful appropriation of mark previously used by Opposer and not abandoned.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (Bert R. Bagano v. Director of Patents, et. al., G.R. No. L-20170, August 10, 1965). And where a trademark application is opposes, the Respondent-Applicant has the burden of proving ownership (Marvex Commercial Co., Inc v. Peter Hawpia and Co., 18 SCRA 1178). In the instant case, Respondent-Applicant did not present any evidence to prove its ownership for the BLUEFLY mark, despite being given the opportunity to do so.

It is worth mentioning at this juncture to bolster Opposer's exclusive right over its trademark BLUEFLY and accord protection henceforth against any subsequent user is the established goodwill and reputation the trademark BLUEFLY has earned over the years or more specifically for almost a decade of online retailing. Opposer's BLUEFLY trademark is widely and popularly used by Opposer especially on its online retail services, founded in 1998 with its initial launch in New York City. At this age of information technology or the accessibility of information via the internet, anyone may have convenient means of informing himself of the latest trends in fashion, like what is obtaining in this instant suit. Opposer started offering its goods for sale to consumers via the internet or engaging in cyber shopping activities way back in 1998 as can be gleaned from the homepage of Opposer's bluefly.com (Exhibit "A", Opposer). The use and adoption by Applicant of the same word BLUEFLY as subsequent user can only mean that Applicant wishes to reap on the goodwill, benefit from the advertising value and reputation of Opposer's trademark.

By appropriating a word which is identical or closely resembles that of a widely used and popularly known trademark, and taking into account the evidence submitted by Opposer, this Bureau holds that indeed there was a deliberate intent by Respondent-Applicant to ride on the popularity of the mark of the Opposer without the Respondent-Applicant having incurred any expense to gain such goodwill and/or reputation.

In the case of American Wire & Cable Co. vs. Director Co. vs. Director of Patents, 31 SCRA 544, it was observed that:

"Why of the of terms and combination of letters and designs available the appellee had to choose a mark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark"

As the rightful owner and prior user of the trademark BLUEFLY, Opposer should be given protection against entities that merely wish to take advantage of the goodwill its marks have generated.

WHEREFORE, premises considered, the Noticed of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-2003-006402 filed by KEVIN YI SHAN a.k.a KEVIN KING on 17 July 2003 for the registration of the mark BLUEFLY for use on goods belonging to Class 25 is, as it is hereby, REJECTED.

Let the filewrapper of BLUEFLY, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, May 25, 2007

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs