

CHANEL SARI,
Opposer,

IPC No. 14-2009-00075
Case Filed : 09 March 2009
Opposition to:

- versus -

Appln. No. : 4-2008-007660
Date Filed : 27 June 2008
Trademark : "COCOA & DEVICE"

JANEE GIL C. TY
Respondent-Applicant.

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Decision No, 2010-39

DECISION

CHANEL SARL ("Opposer"), a Corporation duly organized under the laws of Switzerland, registered at Burgstrasse 26, CH -8750 Glaris, Switzerland, filed on March 10, 2009 an opposition to Trademark Application Serial No. 4-2008-007660.¹ The application, filed by JANE GIL C. TY ("Respondent-Applicant") with address at Level 2 space 103 Main Mall, Robinson's Place Manila, M. Adriatico, Ermita, Manila, covers the mark "COCCO & Device" for use in goods under classes 14, 18, 25 and 26 of the International Classification of Goods².

The Opposer alleges the following:

"1. Opposer is the registered owner in the Philippines of Registration No. 058525 for the trademark COCO, covering goods in Class 25 issued by the IPO. Opposer is likewise the registered owner in the Philippines of registration No. 16026 for COCO trademark was first registered in the Philippines in 1970 and has been used in the Philippines for numerous years.

"2. Chanel and its affiliated companies have been using the COCO trademark worldwide and in the Philippines for fragrances and related cosmetic products (herein referred to as COCO Mark, long before Respondent-Applicant adopted the COCCO MARK. Throughout the years, Chanel has also used the COCO trademark on various goods included in Classes 14, 18, 25 & 26.

"3. Respondent-Applicant's nearly identical COCCO Mark so resembles Opposer's COCO Mark as to likely, when applied to or used in connection with the identical and related goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Respondent-Applicant's goods either come from Opposer or are sponsored or licensed by it.

"4. Respondent-Applicant's COCCO Mark is nearly identical to Chanel's COCO Mark in that only one letter distinguishes it. The marks are phonetically identical and create the same overall commercial impression since COCCO has no meaning distinguishable from COCO in relation to the goods applied for. The slightly stylized lettering of the COCCO Mark does nothing to obviate these striking similarities.

"5. There is nothing inherent in Respondent-Applicant's COCCO Mark to distinguish it or the goods from Chanel's COCO Mark since Chanel is a recognized leader in the area of fashion, ladies' bags, jewelry and other goods claimed by Respondent-Applicant in its COCCO application.

1 Application was published in the Intellectual Property Office (IPO) E-Gazette, 07 November 2008.

2 The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

"6. The goods applied for the Respondent-Applicant are closely related to the goods for which Chanel's COCO Mark is used and registered worldwide. Numerous fashion companies today offer products that range from fragrance and beauty to fashion and accessories. Indeed, since Chanel's founder, Coco Chanel, was a designer herself, it is undeniable that Chanel is as well known for its clothing and fashion items as it is for its fragrances and beauty products.

"7. The registration and use by Respondent-Applicant of the COCCO Mark will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Mark. The COCO Mark has been recognized as a well-known mark by courts and intellectual property offices in numerous countries. There is no question that "COCO" is immediately associated with Chanel for fragrances and related cosmetic products in Class 3. Due to the high repute of Opponent's COCO Mark and the natural proximity of fashion and beauty products, the use of COCCO by Respondent-Applicant for the claimed goods will likewise lead consumers to believe that the mark is affiliated with or authorized by Chanel.

"8. Respondent-Applicant adopted the COCCO Mark on its own goods with the intention of misleading the public into believing that its goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as a source of goods bearing the nearly identical COCO Mark.

"9. Given the recognition and prior use of Opposer's COCO Mark in the Philippines and elsewhere, there is no clear reason for Respondent-Applicant to have adopted its COCCO Mark for identical goods in Class 25 and related goods in Classes 14, 18 and 26, other than to trade on the goodwill and worldwide recognition of the Opposer's COCO Mark, thereby misleading the public into believing that its identical or similar goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the exclusive source of fragrances and related cosmetic products bearing the COCO Mark.

"10. The approval of Respondent-Applicant's COCCO Mark is based on the representation that it is the originator, true owner and first user of the trademark, which was merely derived from Opposer's COCO Mark.

"11. Opposer is the first user of the COCO Mark in the Philippine commerce and elsewhere, having utilized the same since at least 1999 in the Philippines. Respondent-Applicant's use of a nearly identical mark for identical and related goods is likely to cause consumer confusion as to the origin of said goods.

"12. Respondent-Applicant's use of the COCCO Mark infringes upon Opposer's exclusive right to use the COCO Mark, which is a well-known trademark protected under Sections 147 and 123.1 (d), (e) and (f) of the Intellectual Code ("IP Code"), Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and Switzerland adhere. Registration and use of Respondent-Applicant's COCCO Mark would be contrary to Section 123.1(e) or, alternatively, 123.1(f) of the IPO.

"13. The registration of the COCCO Mark in the name of the Respondent-Applicant is contrary to other provisions of the IP Code.

"To support this Opposition, Opposer will prove and rely upon, among other facts, the following:

"1. Opposer adopted and has been using the COCO Marks for fragrances and related cosmetic products for over 20 years, long before Respondent-Applicant adopted the nearly identical COCCO Mark for related goods. Opposer has been commercially using the COCO Mark in the Philippines since at least 1999 long before the filing of the application for the registration of the COCCO Mark by Respondent-Applicant in the year 2008.

"2. Opposer is the first user and rightful owner of the COCO Mark, which is well-known throughout the world and in the Philippines. Opposer and its related companies has also used and registered or applied for the registration of the COCO Marks in over 150 countries worldwide. There is no reason for Respondent-Applicant to adopt a nearly identical mark for related goods, other than to trade on Opposer's reputation.

"3. Opposer is the first user of the COCO Mark. Respondent-Applicant has appropriated the COCCO Mark for the purpose of capitalizing upon the renown of Opposer's self-promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer.

"4. The registration and use of a confusingly similar trademark by Respondent-Applicant will tend to deceive and/or confuse purchasers into believing that Respondent-Applicant's products emanate from or are under the sponsorship of Opposer and damage Opposer's interests for the reasons:

- i. The trademarks are nearly identical, differing only by one letter and create the same overall commercial impression.
- ii. COCO is derived from the name of Chanel's founder and is widely recognized as such around the world, particularly in relation to fragrances and related cosmetic products, but also in relation to Chanel's fashion products.
- iii. Through extensive advertising in international publications and continuous use, Opposer's COCO Mark has become well-known worldwide and in the Philippines and should be granted broad protection under the IPO with respect to identical and similar goods, or alternatively, with respect to dissimilar goods.
- iv. The goods on which Respondent-Applicant's COCCO Mark will be used are identical or closely related to those for which Opposer uses the COCO Mark.
- v. Respondent-Applicant's unauthorized appropriation and use of the COCCO Mark will dilute Opposer's reputation and goodwill among consumers.
- vi. Respondent-Applicant has applied to register the trademark COCCO on its own products as a self-promoting trademark to gain public acceptability for its products through its association with Opposer's popular COCO Mark, which has attained international renown for products of the finest quality.

"5. The registration and use of a nearly identical trademark by Respondent-Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Mark.

The Opposer's evidence consists of the following:

1. Exhibit "A" - True copy of the Power of Attorney executed by Chanel Sarl's Director;
2. Exhibit "B" - Copy of Times/CBS New: People of the Century - "*One Hundred Men and Women who shaped the last one hundred years*";
3. Exhibit "C" - Well-known fashion companies;
4. Exhibit "D"-Samples of uses on a variety of goods for COCO Mark;
5. Exhibit "E"-Copies of Registration Nos 016026 and 058525;

6. Exhibit "F"-Copies of selected commercial invoices and delivery;
7. Exhibit "G" -A list of the countries, territories and jurisdictions where Chanel and related Chanel companies have registered or applied to register COCO;
8. Exhibit "H" -Select sampling of certificate of registration showing that in addition to classes 3 and 25, Chanel's COCO mark is registered in classes 14, 18 and 26 in other countries;
9. Exhibit "I" - Advertisement for Chanel's products bearing the COCO mark have appeared in magazines and periodicals that are circulated worldwide;
10. Exhibit "J" - Selected court decisions; and
11. Exhibit "K" - Selected editorials and press clippings from various publications.

The Respondent-Applicant filed her Verified Answer on 4 August 2009, alleging among other things, the following:

"1. Apparently, the claims of the Opposer of prior use and international notoriety of its COCO mark for goods under classes 14, 18, 25 & 26 were never proven by Opposer.

"2. Opposer's allegation that it has used the COCO mark in the Philippines since 1999 is without doubt, unsubstantiated. Opposer miserably failed to present any scintilla of evidence to show the ACTUAL USE of the COCO mark in the Philippines for goods under classes 14, 18, 25 & 26.

"3. On the other hand, Respondent-Applicant's COCCO and Device trademark has been commercially used and available in the Philippines. Particularly, her COCCO and Device mark has been promoted and advertised for a considerable duration of time and over wide geographical areas. Respondent-Applicant has invested tremendous amount of resources in the promotion of her COCCO and Device trademark through various media including well-known print publications and other promotional materials. In 2006 -2009, Respondent-Applicant spent approximately P1.4 million for promotions and advertisements of her COCCO and Device mark. Samples of the advertising and promotional materials of Respondent-Applicant's COCCO and Device mark are attached as ANNEX A series of the Respondent-Applicant's Affidavit (Exhibit 1).

"4. Respondent-Applicant's COCCO and Device products are also advertised and made available in the website www.houseofcocco.com. Pertinent pages of this website are attached as Annex B series of the Respondent-Applicant's Affidavit (Exhibit 1).

"5. Furthermore, Respondent-Applicant's COCCO and Device products are being sold and distributed in major malls, department stores and boutiques in the Philippines with an income of P9, 901,445.80 for the years 2006 to 2009. Copies of the commercial invoices are hereto attached as Annexes C series of the Respondent-Applicant's Affidavit (Exhibit 1). Copies of the quantity and amount of sales for COCCO and Device products in the Philippines are attached as Annex D of Respondent-Applicant's Affidavit (Exhibit 1).

"6. The widespread commercial use of the COCCO and Device trademark by Respondent-Applicant to distinguish and identify her various high quality consumer products has earned Respondent-Applicant a well-deserved business reputation and goodwill. Copies of newspaper articles recognizing Respondent-Applicant's COCCO and Device as popular, well-known and top brands are attached as Annex E of Respondent-Applicant's Affidavit (Exhibit 1).

"7. It is evident that the COCCO in respondent-applicant's COCCO and Device trademark is distinct and different from that of the opposer's mark. The former's mark is more intricate and artistic in appearance compared to the latter's mark It is readily apparent that there

is no similarity in appearance between the respondent-applicant's subject trademark and the opposer's trademark. Hence, there is no likelihood of confusion.

"8. To refute the incorrect allegation that the subject marks are confusingly similar, respondent-applicant shows the obvious distinctions between the competing marks, to wit:

- A. *On the configuration of the word COCCO* - Respondent-Applicant's mark is a design feature consisting of the stylized word COCCO with three letter C's which are of bigger font than those of the two letters O, with the last two letter C's overlapping each other. On the other hand, the opposer's mark is merely a bare representation of the word COCCO.



Respondent-Applicant's mark



Opposer's mark

- B. *On the enclosure surrounding the design feature* –Respondent-Applicant's logo is contained inside a rectangle while opposer's design is not enclosed.

"More importantly opposer's COCO is utilized without doubt, as a mere secondary mark that only supports its CHANEL mark. In fact, COCO is a weak mark and is used always with CHANEL as it can not stand alone as a mark. The increasing differentiation is the fact that the COCO in opposer's mark precedes the word CHANEL, which is not found in respondent-applicant's COCCO.

"Based on the above-enumerated differences, respondent-applicant's mark is uniquely different from opposer's mark. The many different features like the fonts and design feature of both trademarks, rule out any similarity in said marks. Evidently, deception or confusion in the public is hardly conceivable.

"9. It is apparent that the respondent-applicant's trademark cannot be confusingly similar to opposer's claimed mark considering that the goods belonging to the former are in all respects, poles apart from opposer's limited and very expensive items. There is a world of difference between respondent-applicant's products and opposer's items. Hence, no confusion, mistake or deception can take place as shown by the following differences in goods to which the subject marks are used:

COCO		COCCO	
Class	Goods	Class	Goods
03	Soaps, Perfumery, Essential Oil, Cosmetics, Lotions for the hair Dentrifices	14	Ladies Accessories namely, Ladies Fancy Earrings and Rings, Fashion Jewelries
25	Clothing, namely Women's Suits, Coats, Blouses, Dresses, Skirts, Shawls, Scarves, Jackets, Belts, Gloves, Stockings, Panties, Brassiere, Corsets, Camisoles, Slips, Horsery, Footwear, namely Shoes, Boots and Slippers, Headgear.	18	Ladies Bags
		25	Lingerie, Bra, Panty, Nighties, Camisole, Corset, Belts, Slippers, Shoes, Apparel and Garment namely, Blouses,

			Polo Shirts, Jackets, Pants, Shorts, Dresses, Jeans, Lingerie Corset, Lingerie Nighties, Swimsuit.
		26	Hair Accessories namely, Head Band, Barrettes, Hair Clip and Pin.
<i>Respondent-Applicant</i>		<i>Opposer</i>	

“10. As a result, there will be no likelihood of confusion as the goods covered by the trademarks of the parties do not compete with and are foreign to each other, thus, no reasonable buyer would likely be confused. They are so dissimilar or so foreign to each other as to make it unlikely that the purchaser would think the first user made the second user’s goods.

“11. In the present case. a consumer who is in the market to buy items bearing respondent-applicant’s trademark is not likely to be confused when in the market to buy the goods bearing the opposer’s trademark . The indubitable fact remains that no confusion or deception is likely because the goods involved are personal items that would require any buyer to be more cautious and discriminatory as to his purchase. Hence, the purchasing public and ultimate consumers are different.

“12. Aside from glaring differences between respondent-applicant’s mark and opposer’s mark, the former’s goods are sold wholesale, retail or through a network of distributors with the following price. Patrons and people from all walks of life may even walk-in at respondent-applicant’s office and warehouses to purchase said products. On the other hand, opposer’s goods are expensive and imported items that are sold only in high-end stores and special shops frequented only by those who can afford to buy them.

“13. Clearly, while respondent-applicant’s products cater to the masses, opposer’s goods respond to the wants of those belonging to the middle and upper classes. This is especially true in the Philippines where opposer’s products cater to the elite or well-heeled members of society. Moreover, while respondent-applicant’s goods are sold and distributed in retail stores, opposer’s goods are sold in luxury or high-end department stores and special shops. Lastly, the opposer’s products are available for sale over the Internet in their website whereas the respondent-applicant’s products are only sold in local markets catering to the masses. As such, the two products flow through different channels of trade, hence no likelihood of deception.

“14. Therefore, can it be said then that respondent-applicant’s application would be likely to cause confusion or mistake on the part of the buying public? The answer should be in the NEGATIVE. Accordingly, the channels of trade in which respondent-applicant’s goods bearing the COCCO and Device trademark flow, their prices, and the consumers who entertain and patronize them significantly differ from those of opposer’s thus, the likelihood of confusion is highly remote if not nil.

“15. Opposer’s mark is NOT internationally well-known. Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers provides:

Rule 102 . Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) The duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that this mark is a well-known mark”.

In addition, Sec. 123.1 (e) of the Intellectual Property Code (IPC) provides that the determination of whether a mark is well-known is property left to a competent authority in the Philippines to decide and declare, taking into consideration the knowledge of the relevant sector of the public, rather than that of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark.

“16. The opposer has failed to show that its mark has met the criteria to qualify as a well-known mark. Opposer has either shown evidence of a declaration by competent authority that its mark is well-known nor adequately proven that the said mark has acquired a market share in the Philippines.

It becomes evident that the opposer cannot claim exclusive ownership over its claimed trademark for all types of goods precisely because its COCO mark is in fact, obscure and not well-known.

The Respondent-Applicant submitted the following pieces of evidence:

1. Exhibit “I” -Affidavit of Janee Gil C. Ty, executed on 03 August 2009 before a Notary Public;
2. Annexes “A” Series -Sample of the advertising and promotional materials;
3. Annexes “B”Series -Pertinent pages ofwww.houseofcoco.com website;
4. Annexes “C” Series -Copies of commercial invoices;
5. Annexes “D” Series -Copies of the quantity and amount of sales for COCCO and Device in the Philippines; and
6. Annexes “E” to “E-1” Series -Copies of newspaper articles recognizing the COCCO and Device as popular, well-known and top brand.

Should the Respondent-Applicant be allowed to register the mark “COCCO”?

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. A trademark means any visible sign capable of distinguishing the goods of an enterprise.³ The function of a trademark is to point out distinctly the origin or ownership of the goods 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 products.⁴ Thus, Sec. 123.1 [d] of the IP Code, states:

Section 123. Registrability -123.1. -A mark cannot be registered if it:

(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

- (i) the same goods or services or
- (ii) Closely related goods or services or
- (iii) If it's nearly resembles such mark as to be likely to deceive or cause confusion;

Records and evidence show that before the Respondent-Applicant filed her trademark application on 27 June 2008, the Opposer had already obtained the following registrations for mark "COCO":

1. Registration No. 016026, issued on 10 December 1970, for perfume and cologne (Class 3);
2. Registration No. 033532, dated 08 August 1984, for toilet soaps (Class 3);
3. Registration No. 16020, dated 10 December 1990, for perfume and cologne (Class 3);
4. Registration No. 058525, dated 23 June 1994, for clothing, namely women's suits, coats, blouses, dresses, skirts, shawls, scarves, jackets, belts, gloves, stockings, panties, brassieres, corsets, camisole, slippers, hosiery, footwear, namely shoes, boots and slippers; headgear (Class 25).

as well as, Registration No. 047068, dated 18 December 1984, for mark "COCO CHANEL Open Carton in Black and Gold With Words" and Registration No. 054979, for the mark "COCO CHANEL", dated 04 May 1993, for use on soaps, perfumery, essential oils, cosmetics, lotions for the hair, and dentrifices. These goods are similar or closely related to those covered by the Respondent-Applicant's trademark, to wit:

1. ladies accessories namely, ladies fancy earrings and rings, fashion jewelries (Class 14);
2. ladies bags (class 18);
3. lingerie, bra, panty, nighties, camisole, corset, belts, slippers, shoes, apparel and garment namely, blouses, polo shirts, jackets, pants, shorts, dresses, jeans, lingerie corset, lingerie nighties, swimsuit (Class 25); and
4. hair accessories namely, head band, barrettes, hair clip and pin (Class 26).

³ Sec.121.1 of the IP Code.

⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999., citing *Etepha v. Director of Patents, supra*, *Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15. par.(I).Article 16.par. (I), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement)

The question now is: Are the competing marks as shown below, identical or resemble each other that confusion or deception is likely to occur?



Opposer's mark



Respondent-Applicant's mark

A side-by-side comparison of the two contending trademarks clearly show that the two trademarks are confusingly similar to each other. The Respondent-Applicant's mark "COCCO & DEVICE" is nearly identical to opposer's mark "COCO" as their distinction lies only to the addition of a letter "C" in the Respondent-Applicant's trademark. The arrangement of the other letters remains the same as well as the number of syllables. This slight distinction is insignificant as it does not preclude the likelihood of consumer's confusion as to the origin of the goods. Further, when pronounced, the two trademarks are exactly the same in sound.

Thus, the addition of another letter "C" in Respondent-Applicant's mark is inconsequential to confer on it a character distinct from the Opposer's mark. The Supreme Court in *Commerce Rubber Corporation vs. Universal Rubber Product Inc*⁵ and in *Del Monte Corporation et al. vs. Court of Appeals*⁶, held that the person who infringes a trademark does not normally copy out but only makes colorable changes, employing enough points of similarity to confuse the public with enough points of differences to confuse the Court. What is undeniable is the fact that when a manufacturer prepares to package his product, he has before him a boundless choice of words, phrases, colors and symbols sufficient to distinguish his products from the others".

Evidence shows that the products of the opposer bearing the mark "COCO" have been widely sold in the Philippines since at least 1999 through its distributor "Rustan Commercial Corp." Commercial invoices showing sales of opposer's products bearing the mark "COCO" were submitted.⁷ It is, therefore, very clear that the opposer is the first user of the mark "COCO" in the Philippines for quite a long period of time than the Respondent-Applicant. It is unthinkable and very difficult therefore, to understand why of the millions of words and combination of letters and designs available the Respondent-Applicant had to choose the word "COCCO" which is almost exactly the same with the opposer's mark "COCO" if there was no intent to take advantage of the goodwill of opposer's mark.

When one applies for the registration of a mark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright even without any opposition on the part of the owner and user of a previously registered label or trademark, this is not only to avoid confusion on the part of the public but also to protect and already used and registered trademark and established goodwill⁸.

WHEREFORE, premises considered, the instant opposition is hereby SUSTAINED. Let the filewrapper of trademark Application No. 4-2008-007660 subject matter of this case/together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for appropriate action.

5 G.R. No. 103543,05 July 1993

6 G.R. No. 78325, 25 January 1990

7 Exhibit F

8 CHUANCHOW SOY & CANNING CO. vs. The Director of Patents and Rosario Villapanta (G.R. No. L -13947,30 June 1960)

SO ORDERED.

Makati City, 23 July 2010.

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office