

CHANEL SARL,	}	IPC NO. 14-2009-00011
<i>Opposer,</i>	}	Case Filed: 08 January 2009
	}	
	}	Opposition to:
	}	
	}	Appl'n. Serial No. 4-2008-009457
-versus-	}	Date Filed: 06 August 2008
	}	TM: "COCOLIPS"
	}	
MANILA NATURE'S LINK CORP.,	}	
<i>Respondent-Applicant.</i>	}	
x-----x	}	Decision No. 2009-76

DECISION

This is a verified NOTICE OF OPPOSITION filed by Opposer Chanel Sarl to the application for registration of the mark "COCOLIPS" bearing Application Serial No. 4-2008-009457 filed on August 06, 2008 by Respondent-Applicant Manila Nature's Link Corp. for goods under Class 03, namely, "Lip balm and lip moisturizers" which application was published for opposition in the Intellectual Property Philippines (IP Philippines) E-Gazette that was officially released for circulation on October 10, 2008.

Opposer is a foreign corporation organized and existing under the laws of Switzerland with address at Burgstrasse 26, CH-8750 Glaris, Switzerland. Respondent-Applicant is a domestic corporation organized and existing under the laws of the Republic of the Philippines with business address at 3rd Floor, Maga Center, Magallanes Village, Makati City Philippines.

The grounds for the opposition are as follows:

1. Opposer is the registered owner in the Philippines of COCO for goods in Class 3 under Registration No. 16026 issued by the IPO. Opposer is likewise Registered owner in the Philippines of the trademark COCO in class 25 under Registration No. 058525, as well as COCO CHANEL OPEN CARTON under Registration No. 047068 and COCO CHANEL under Registration No. 54979, both for goods in Class 3 (hereinafter collectively referred as the "COCO Marks").

Opposer has been using the COCO Marks worldwide and in the Philippines long before Respondent-Applicant appropriated the similar mark COCOLIPS for its own products in class 3. The COCO Mark was first registered in the Philippines in 1970 and has been used in the Philippines for numerous years

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

3. The registration and use by Respondent-Applicant of the trademark COCOLIPS will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Marks, which are arbitrary trademarks when applied to Opposer's products. The COCO Marks have been recognized as well-known by courts and intellectual property offices in numerous countries and, as one of the world's leading women's fragrances, there is no question that COCO is immediately associated with Chanel, in particular for goods in Class 3.

4. Respondent-Applicant adopted the trademark COCOLIPS on its own goods with the obvious 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 confusingly similar COCO Marks.
5. The approval of Respondent-Applicant's trademark COCOLIPS 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 Marks.
6. Opposer is the first user of the COCO Marks in Philippine commerce and elsewhere, having utilized the same since at least 1999 in the Philippines. Respondent-Applicant's use of a confusingly similar mark as the brand name for its own products is likely to cause consumer confusion as to the origin of said goods.
7. Respondent-Applicant's use of the trademark COCOLIPS infringes upon Opposer's exclusive right to use the COCO Marks, which are well-known trademarks protected under Sections 147 and 123.1 (d), (e), and (f) of the Intellectual Property 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.
8. The Registration of the Trademark COCOLIPS in the name of the Respondent-Applicant is contrary to other provisions of the IP code.

Opposer relies on the following facts to support its opposition:

1. Opposer adopted and has been using the COCO Marks for its goods and service for over 20 years, long before Respondent-Applicant's unauthorized usage of the confusingly similar trademark COCOLIPS. Opposer has been commercially using the COCO Marks in the Philippines since at least 1999 before the filing of the application for the trademark COCOLIPS by Respondent-Applicant.
2. Opposer is the first user and rightful owner of the COCO Marks. 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 the COCOLIPS mark, which wholly incorporates Opposer's COCO Marks, other than to trade on Opposer's reputation.
3. Opposer's COCO Marks are arbitrary trademarks and are entitled to broad legal protection against unauthorized users like Respondent-Applicant who has appropriated the deceptively similar trademark COCOLIPS for its own goods.
4. Opposer is the first user of the COCO Marks for the above-mentioned goods. Respondent-Applicant has appropriated the trademark COCOLIPS for the obvious 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.
5. The registration and use of a confusingly similar trademark by the 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 interest for the following reasons:

- i. The trademarks are confusingly or deceptively similar
 - ii. COCO is the nickname of Chanel's founder and is widely recognized as such.
 - iii. Respondent-Applicant's addition of "lips" only accentuates the association with COCO since "lips" is generic for lip balm and lip moisturizers. COCO is therefore the dominant part of Respondent-Applicant's mark.
 - iv. Respondent-Applicant's unauthorized appropriation and use of the trademark, COCOLIPS will dilute Opposer's reputation and goodwill among customers.
 - v. Respondent-Applicant used the trademark COCOLIPS on its own products through its association with Opposer's popular COCO Marks, which have attained international renown for products of the finest quality.
 - vi. The goods on which COCOLIPS will be used are closely related or identical to those for which Opposer uses the COCO Marks.
 - vii. Respondent-Applicant intends to trade, and is trading on Opposer's goodwill.
6. The registration and use of a confusingly similar trademark, by Respondent-Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Marks.

A Notice to Answer was issued to and received by Respondent-Applicant on February 17, 2009. No such verified Answer was filed to date, thus, this Bureau declared Respondent-Applicant to have waived its right to file a verified Answer.

Respondent-Applicant's mark "COCO" is depicted below as follows:

COCOLIPS

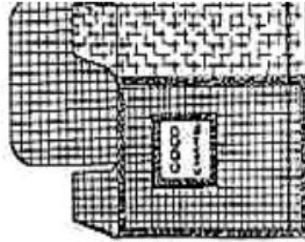
Opposer's marks are depicted below as follows:

COCO

"COCO"

COCO CHANEL

“COCO CHANEL”



“COCO CHANEL OPEN CARTON”

The issues to be resolved are as follows:

1. Whether the subject mark “COCOLIPS” is confusingly similar to opposer’s “COCO” Marks; and
2. Whether or not Respondent-Applicant is entitled to the registration of the mark “COCOLIPS”.

Upon close examination of the opposing marks, Respondent-Applicant’s mark “COCOLIPS” on the one hand and Opposer’s “COCO / COCO CHANEL / CHANEL OPEN CARTON” on the other hand, this Bureau comes to the conclusion that the dominant word in the parties’ marks is “COCO”. In Respondent-Appellant’s mark, the word “lips” is merely a word associating the product to the part of the body where it is used – the lips. As a moisturizer and/or balm for the lips, obviously, the prefix “COCO” makes a dominant impression visually and aurally. Thus, when red especially with Opposer’s “COCO” Marks which are essentially beauty products, the same visual and aural impressions are created: The idea of beauty and its enhancement in the manner intended, packaged, and marketed by Opposer. It is noted, moreover, that the visual presentation of the competing marks are almost identical: The words are written in black, Arial-like fonts in uppercase. In fact, the presentation of the word “COCO” of Opposer’s marks and the prefix “COCO” of Respondent-Applicant’s mark are exactly the same. Aurally, they are pronounced similarly.

In Decision No. 2008-47, IPC No. 14-2007-00114 entitled “Tri-Union International Corporation v. Suyen Corporation, pronounced the following:

“In a contest involving registration of trademark, the determinative factor is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public.

It does not require that the competing trademarks must be so identical as to produce actual error or mistake. It is rather sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand being mistaken for the newer brand.

The existence of confusion of trademark or the possibility of deception to the public hinges on “colorable imitation”, which has been defined as “such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.” (Emerald Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 [19])

Though there are two tests in determining confusing similarity- the Dominancy Test and the Holistic Test, the Supreme Court has leaned more on the use of the Dominancy Test since the promulgation in 2004 of the case of McDonald’s Corporation et al. v. L.C. Big Mak Burger, Inc., et al., G.R. No. 143993, August 18, 2004.

Per the Dominancy Test which considers the dominant features of the competing marks, or which gives greater weight to the similarity of the appearance of the product arising from the dominant features of the mark attached to said product in determining whether such mark is confusingly similar with another mark, the word “COCO” gives the same visual and aural impressions to the public’s mind in the light of the goods to which they are used respectively by petitioner and respondent-registrant (McDonald’s Corporation v. MacJoy Fastfood Corporation, G.R. No. 166115. February 2, 2007; McDonalds Corporation v. L.C. Big Mak, Inc., G.R. No. 143993, August 18, 2004). Similarity in size, form and color, while relevant, is not conclusive. Either duplication/imitation, or the fact that the infringing label suggests an effort to emulate, is necessary. The competing marks need only contain the main, essential or dominant features of another; and that confusion and deception are likely (Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30, 1969; Lim Hoa v. Director of Patents, G.R. No. L-8072, October 31, 1956; Co Tiong Sa v. Director of Patents, et al., G.R. No. L-5378, May 24, 1954).

To reiterate, the dominant feature of the competing marks is the word “COCO” from opposer’s marks and the prefix “COCO” from respondent-applicant’s mark.

The likelihood of confusion in this case is heightened by the fact that the goods of opposer under the mark “COCO CHANEL” fall under Class 03, and some are identical, or at least, related with respondent-applicant’s goods: Opposer’s goods under cosmetics may include lip balms and lip moisturizers, and lipsticks too. Nonetheless, lip balms and lip moisturizers are cosmetics. Thus, it is immaterial whether or not these consist part of opposer’s products. The fact remains that opposer’s products under Class 03 include, among others, cosmetics which are what lip balms and lip moisturizers are. Moreover, opposer’s mark “COCO” is used for Class 25 goods, namely, clothing.

Clothing on the one hand, and lip balms and lip moisturizers on the other hand, have different attributes and form. However, they are related as they are, among others, used for aesthetic purposes. Moreover, the use of both discrete class of goods complement each other. They enhance the totality of a certain “look”. Additionally, both class of goods flow through the same channels of trade. Again, in Decision No. 2008-47, *supra*, this Bureau ruled as follows:

“The goods of Opposer vis-à-vis respondent-applicant’s products are specifically different in attributes and form. Nonetheless they are deemed related goods because they flow through the same channels of trade. Thus, it is likely that these goods may be sold commercially in the same market and have common purchasers. Apparels, foot wears, cosmetics and the like are marketed similarly because these items are generally displayed and offered for sale in boutiques or departments stores with greater chances that they will be placed or displayed in the shelves side-by-side”

As to the first issue, thus, this Bureau rules in the affirmative.

Records bear that Opposer secured registrations for the following: "COCO" for "clothing, namely womens suits, coats, blouses, dresses, skirts, shawls, scarves, jackets, belts, gloves, stockings, panties, brassiere, corsets, camisoles, slippers, hosiery, footwear, namely shoes, boots, and slippers; headgear" under Class 25 per Registration No. 058525 issued on June 23, 1994; and "COCO CHANEL OPEN CARTON" for "soaps, perfumery, essential oil, cosmetics, lotions for the hair and dentrifices" under Class 03 per Registration No. 047068 issued on December 18, 1989. Opposer also applied for the registration on March 25, 1986 of the mark "COCO CHANEL" for "soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices" under Class 03 per Application Serial No. 54979.

Section 138 of the IP Code provides:

"A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate."

Moreover, Section 123.1 (d) of the IP Code provides among other:

A mark cannot be registered if it:

- (d) Is identical with a registered mark belonging to a different proprietor, in respect of:
 - (i) The same goods or services, or
 - (ii) Closely related goods or services, or
 - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Thus, by virtue of Opposer's certificates of registration, a presumption arises that Opposer is the owner of the "COCO" Marks the confusing similarity to which the mark "COCOLIPS" has been ruled herein, especially that the goods of both parties are similar and/or related. Such presumption precludes respondent-applicant from being allowed registration of such a confusingly similar mark for goods that are identical and/or related to opposer's goods.

WHEREFORE, the verified NOTICE OF OPPOSITION is, as it is, hereby SUSTAINED. Consequently, Application Serial No. 4-2008-009457 filed on August 06, 2008 by Respondent-Applicant Manila Nature's Link Corp. for goods under Class 03, namely, "Lip balm and lip moisturizers" is, as it is hereby, REJECTED.

Let the filewrapper of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this decision.

SO ORDERED.

Makati City, June 18, 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office