

CHELSEA FOOTBALL CLUB LIMITED,
Opposer,
- versus -

IPC No. 14-2007-00038

Opposition to:
TM Application No. 4-2006-007125
(Filing Date: 03 July 2006)

SHOE SPECIALIST, INC.,
Respondent-Applicant.

TM: "CHELSEA"
Decision No. 2007 – 104

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DECISION

This is an opposition to the registration of the mark "CHELSEA" bearing Application No. 4-2006-007125 filed on July 3, 2006 for clothing namely "t-shirts, shorts, pants, blouses and dresses", footwear namely "step-in, sandals mules or half shoes, pumps, school shoes, slip-on, slippers, rubber shoes and boots" in Class 25 on the International Classification of goods which application was published in the Intellectual Property Philippines (IPP) Electronic Gazette (E Gazette), which was officially released on October 6, 2006.

Opposer in the instant opposition is "CHELSEA FOOTBALL CLUB LIMITED", a corporation duly organized and existing under the laws of the United Kingdom, with principal place of business at Stamford Bridge Ground, Fulham Road, London, SW6 HIS, England.

The Respondent-Applicant, on the other hand is "SHOE SPECIALIST, INC.", with address at No. 36 Dama De Noche Street, Lumang Bayan Executive Village, Mayamot, Antipolo City, Philippines.

The grounds for the opposition are as follows:

1. The Trademark CHELSEA nearly resembles the Opposer's CHELSEA FOOTBALL CLUB BADGE trademark under Application No. 4-2005-011745 filed on November 30, 2005, as to be likely to deceive or cause confusion. Section 123 (d) of the Intellectual Property Code ("the code") state as follows:

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

- a. The same goods or services, or
 - b. Closely related goods or services, or
 - c. If it nearly resembles such a mark as to be likely deceive or cause or confusion;
2. The dominant element in Opposer's CHEALSEA FOOTBALL CLUB BADGE trademark is the word "CHELSEA" which is the word that comprises the trademark CHELSEA USED by Respondent –Applicant and which it attempts to register with the intellectual Property Office.
 3. The resemblance between the Opposer's trademark and the trademark time to Respondent-Applicant is such that is likely to deceive or cause confusion.
 4. The Opposer's Trademark Application No. 4-2005-011745is earlier in time to Respondent-Application No.4-2006-007125. The former was filed on November 30, 2005 while the latter was filed more than seven (7) months latter on July 3, 2006. Thus, pursuant to section 123 (d) (iii) of the Code, Respondent-Applicant's Trademark Application No. 4-2006-007125 cannot be registered.

5. In addition the trademark CHELSEA designates class 25 goods just as the Opposer's CHEALSEA FOOTBALL CLUB trademark designates goods in class 25, among others
6. The trademark CHELSEA FOOTBALL CLUB BADGE is used to identify the Opposer's products, specifically, various goods classes 9, 14, 16, 18, 20, 21, 24, 25 and 28 which are covered by the Opposer's Trademark Application No. 4-2005 -011745.
7. The Opposer's trademark CHELSEA FOOTBALL CLUB BADGE designates the following goods in class 25, to wit: "articles of outer clothing articles of sport clothing; leisurewear, articles of underclothing; lingerie; hosiery; footwear being articles of clothing; headgear (for wear); shirts; boots and shoes; fittings of metal for boots and shoes; shorts; T-shirts socks; sweaters; caps; hats; scarves; jackets; dressing gowns; pajamas; sandals; slippers; footwear; boxer short; beach clothes; and shoes; baby boots; diapers and bobs; romper suits; baby pants and sleep suits; dungarees; braces; belt and berets; writs bands; track suits; ties; cravats; aprons; bathrobes; bathing caps and suits; bathing trunks; galoshes; garters; gloves and mittens; headbands; boots; jackets; jerseys; jumpers and knitwear; leggings; clothes linings; parkas; shawls; singlets; skirts; vest; visors; waistcoats; waterproofs clothing."
8. Similar, Respondent-Applicants is seeking to register CHELSEA for "clothing, namely, t-shirts, shorts, pants, blouses and dresses; footwear's namely step-in, sandals mules or half shoes, pumps, school shoes, slip-on, slippers, rubber shoes and boots" in class 25
9. Due to the resemblance between the CHELSEA FOOTBALL CLUB BADGE TRADEMARKS and the CHELSEA trademark as well as the goods that they respectively designate, the Respondent-Applicant's use of the trademark CHELSEA is likely to mislead the public into believing that its goods originated from the Opposer, or that the Opposer's goods came from Respondent-Applicant. The Respondent-Applicant's use of the CHELSEA will falsely and misleadingly suggest a connection between it and its goods, on the one hand, and the Opposer and the Opposer's goods bearing trademark CHELSEA FOOTBALL CLUB BADGE on the other hand.
10. The Opposer's trademarks internationally well-known and is likewise well-known in the Philippines. Under Section 123 (e) of the Code a Trademark which is confusingly similar to an internationally well-known mark cannot register to wit:

Sec. 123 Registrability – 123.1 A mark cannot be registered if it:

x x x

(e) Is identical with or confusingly similar to or constitutes a translation of a mark which is considered by the component 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, 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,"

x

x

x

Thus, said provision of law further militates against the registration of the trademark CHELSEA.

11. Considering the foregoing, the interest of the opposer, as the Owner of the well-known trademark "CHELSEA FOOTBALL CLUB BADGE" subject of Trademarks Application NO. 4-2005-011745, with an earlier filing date than Respondent-Applicant's Trademark Application No. 4-2006-007125, will be damaged and prejudiced by the continue use and adoption by the Respondent-Applicant of the trademark Chelsea.

Opposer relied on the following facts to support its opposition:

1. The Opposer's name is CHELSEA FOOTBALL CLUB the trademark CHELSEA FOOTBALL CLUB BADGE is therefore readily and easily identified with the Opposer.
2. The trademark CHELSEA FOOTBALL CLUB BADGE has been used by the Opposer since May 2005 for goods in at least classes 9, 14, 16, 18, 21, 24, 25 and 28. Such use originated in the United Kingdom as a result of sales made through the Opposer's merchandise store, website and sales activities of the Opposer's appointed licensees.
3. The Opposer is the owner and applicant of the trademark CHELSEA FOOTBALL CLUB BADGE under Application No. 4-2005-011745 filed on November 30, 2005. The application covers various goods in classes 9, 14, 16, 18, 20, 21, 24, 25 and 28.
4. The Opposer has registered and/or applied for the registration of the trademark CHELSEA FOOTBALL CLUB BADGE all over the world. To date, the Opposer has approximately 59 active registrations and/or pending Applications for CHELSEA FOOTBALL CLUB BADGE in approximately 45 countries (including so-called "European Community" trade marks which each provide protection in twenty seven countries).
5. In the United Kingdom, the trademark CHELSEA FOOTBALL CLUB BADGE is registered under U.K. Registration No. 2373227 issued on 05 August 2005 and active until 16 September 2014. A certified true copy of the said registration will form part of Opposer's evidence.
6. The Opposer invests heavily in advertising and publicizing the Trademark CHELSEA FOOTBALL CLUB BADGE worldwide, earning the trademark an international reputation in the sports industry. The Opposer has a website, www.chelseamegastore.com, in which it advertises and sells various products bearing the Trademark CHELSEA FOOTBALL CLUB BADGE. Pages from the said websites will form part of Opposer's evidence.

On April 12, 2007 Respondent –Applicant filed its Verified Answer to the Notice of Opposition wherein it admitted some of the allegations in the opposition and denied the others.

During the preliminary conference, the parties were encouraged to settle the case amicably; however no agreement has been reached.

The opposer submitted the following as its evidences in support of its opposition:

Exhibit	Description
Exhibit "A"	Affidavit of Alan Leslie Shaw
Exhibit "A-1"	Current list of trademark registrations and application owned by the Opposer worldwide for the trademark "CHELSEA FOOTBALL CLUB BADGE"
Exhibit "A-2"	Certified copy of the United Kingdom Registration No. 2373227 issued on 05 August 2005
Exhibit "A-3", "A-3a" to "A-3f"	Pages printed from the Opposer's website

On the other hand, Respondent – Applicant submitted the following as its evidences in support of its trademark application.

Exhibit "3"	Affidavit of Marivic R. Arceo
Exhibit "3-a" to "3-ac"	Photocopies of Renewal Notice issued by Robinson Department Stores and to the agreement
Exhibit "4" to "4-a"	Photocopies of Trademark Application form facsimile, receipt issued by IPO, BOT paper No.2, SOA for application, Official Receipt issued by IPO, SOA of Notice of issuance and Publication Fee Official Receipt issued by IPO
Exhibit "5" to "5-l"	Affidavits of Ms. Cherly Cristie Marhja, Ms. Jane Y. Diaz, Ms. Catherine Lu, Ms. Sarah Uy, Ms. Joyce Y. Garcia, Ms. Haydee Talorong, Ms. Leonila M. Balingit, Ms. Gladys O. Guamos, Ms. Ruby Ann Ocampo, Ms. Amy Honorica

The issue to be resolved in the instant opposition is:

WHETHER OR NOT THE RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "CHELSEA".

Records will show that the Opposer's mark consists of the word "CHELSEA FOOTBALL CLUB BADGE". It is a composite mark containing several components. However, the dominant feature is the word "CHELSEA".

The opposer filed a trademark application bearing Application NO. 4-2005-01145 for the mark "CHELSEA FOOTBALL CLUB BADGE" on November 30, 2005, while the Respondent-Applicant its trademark application bearing Application NO.4-2006-007125 for the mark "CHELSEA" on July 03, 2006, seven (7) months after the filing date of the Opposer's trademark application. The goods covered by both trademarks application fall under class 25 of the International Classification of goods.

The remaining issue to be resolved is:

WHO BETWEEN THE PARTIES HAS A BETTER RIGHT OVER THE MARK "CHELSEA"?

The applicable provision of the law is, Section 123 (d) Republic Act No. 8293, which provides:

Sec.123 Registrability – 123.1 A mark cannot be registered if it:

- (f) 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, of
- (iii) If it nearly resembles such a mark as to be likely to Deceive or cause confusion;

The Respondent-Applicant alleges the following:

- a. It is the successor- in-interest of a corporation named CHELSEA & CO.;
- b. Chelsea & Co. had been using the trademark “CHELSEA” in the Philippines since 1995
- c. In the year 2001, the business of manufacturing and Retailing of footwear and clothing under the brand “CHELSEA” was assigned by Chelsea & Co., to Respondent-Applicant.

There was no evidence submitted by the Respondent-Applicant showing that the alleged right of “CHELSEA & CO.,” over the trademark “CHELSEA” was indeed assigned or transferred to it.

Section 149.5 of Republic Act No. 8293, provides:

Section 149. Assignment and transfer of application and registration –

x x x

Section 149.5 – Assignment and transfer shall have no effect against Third parties until they are recorded at the Office (Section 31, Republic Act No.166, as amended).

As to the trademark Application No. 4-2003-002229 filed by the Respondent-Applicant on March 11, 2003 for the mark “CHELSEA”, the same was ordered refuse for registration by the Director of the Bureau of Trademarks for failure of the applicant to file the Declaration of actual Use (DAU) within the prescribe period of three (3) years from the date of filing, hence it cannot be a bar to the registration of the Opposer’s trademark application.

Section124.2 of the Intellectual Property Code of the Philippines provides:

“The application or the registration shall file a Declaration of Actual use of the mark with evidence to that effect, as prescribed by the regulations, within three (3) years form the filling of application. Otherwise, the application shall be refused or the mark shall be remove from the register by the Director.” The Director referred to in Section 124 of the Intellectual Property Code of the Philippines and rule 204 of the Trademark Regulations is the director of the Bureau of trademarks and not the Director of the Bureau of Legal affairs (BLA). These provisions govern the processes on trademark application and Registration.

It is to be noted, moreover that is not only within the discretion but more importantly, within the jurisdiction of the trademarks Director to pass upon the merits r sufficiency o a declaration of actual use. This is clearly spelled out by Director General in his decision in the case “Techogas S.P.A vs. Techniques (Phi) Manufacturing Corporation, Appeal No.14-06-01.

This being the case, trademark application bearing No. 4-2003-002229 filed by the Respondent-applicant on March 11 2003 for the mark "CHELSEA" which was ordered refused by the Director of Bureau of Trademark for failure of the applicant to file the Declaration of Actual Use (DAU), cannot be considered in the appreciation of the trademark application subject of the instant opposition.

Moreover, a careful perusal of the exhibits submitted do not show the Respondent-Applicant has been using the mark "CHELSEA" since 1995 as alleged by it. The allegation that Respondent-Applicant has acquired the business of manufacturing shoes and clothing, as well as the mark "CHELSEA" from its predecessor-in-interest "CHELSEA & CO." has not been substantiated by the competent evidence such as assignment and transfer of the mark involved duly recorder with the Intellectual Property Philippines (IPP) pursuant to Section 149.5 of the Intellectual Property Code of the Philippines (Section 31, Republic Act No.166, as amended)

Respondent-Applicant evidence, thus, does not clearly show actual use by it on the mark "CHELSEA" on goods under class 25 of the International Classification of goods. No sales invoices or official receipt were presented to show that it actually uses in trade or commerce the mark "CHELSEA".

Section 123.1 (d) of the Intellectual Property Code of the Philippines provides:

"A mark cannot be registered if it is identical with a mark with an earlier filing or priority date, in respect of:

- (i) the same goods;

In the case at bar, the herein Opposer was the first to file an application for the registration of the mark "CHELSEA FOOTBALL CLUB BADGE" for class 25 goods, bearing Application No. 4-2005-011745 filed on *November 30, 2005* while the Respondent-Applicant trademark application for the mark "CHELSEA" bearing Application No. 4-2006-007125 was filed only on *July 3, 2006*.

The opposer therefore has a better right to the mark "CHELSEA" and entitled to its registration in view of the *first-to-file* rule under section 123.1 (d) of intellectual property Code of the Philippines which is the law applicable in the instant case considering that the subject application was filed during the effectivity of the intellectual Property Code of the Philippines (Republic Act No. 8293).

WHEREFORE, in light of all the foregoing, the Opposition is, as it is, hereby SUSTAINED. Consequently, trademark application bearing Application No. 4-2006-007125, filed by Shoe specialist, Inc., on July 3, 2006 for the registration of the mark "CHELSEA" is, as it is, hereby, REJECTED.

Let the file wrapper of the trademark "CHELSEA" subject matter of this case together with a copy of this DECISION be forwarded to the Bureau of Trademarks (BOT) for appropriate action

SO ORDERED.

Makati City, 24 July 2007

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