

DC SHOES, INC.,	}	Inter Partes Case No. 14-2008-00127
<i>Opposer,</i>	}	Case Filed : 10 June 2008
	}	Opposition to:
	}	
- versus -	}	Appl'n Serial No. : 4-2007-001068
	}	Date filed : 01 Feb. 2007
	}	Trademark : "DC CLASSICS
SHOEMART, INC.,	}	(Stylized)"
Respondent-Applicant.	}	
x-----x	}	Decision No. 2009-42

DECISION

This is an opposition to the registration of the mark "DC CLASSICS (Stylized)" BEARING Application No. 4-2007-001068 filed on February 01, 2007 covering the goods "*blouses, knitted tops, blazers, pants, shorts, capris, skirts and dresses for ladies*" falling under class 25 of the International Classification of goods which application was published in the Intellectual Property Philippines (IPP) E-Gazette, officially released on February 08, 2008.

The Opposer in this particular opposition is "DC SHOES, INC." a company incorporated under the laws of the State of California, United States of America with principal office address at 1333 Keystone Way, Suite A. Vista, California 92083, United States of America.

On the other hand, the Respondent-Applicant is "SHOEMART, INC." a corporation organized and existing under the laws of the Republic of the Philippines with address at SM Corporate Offices, Building D, 1000 Bay Boulevard, SM Bay City, Pasay City 1300, Philippines.

The grounds of the opposition are as follows:

"1. Republic Act No. 8293, Section 147. *Rights Conferred.*

Section 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

"2. Republic Act No. 8293, Section 147. *Rights Conferred.*

Section 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: Provided, That use of that mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the

In determining similarity and likelihood of confusion, jurisprudence has developed two tests: the “*Dominancy test*” and the “*Holistic test*”:

Dominancy test sets sight on the similarity of the prevalent features of the competing trademarks that might cause confusion and deception, thus constitutes infringement. Under this norm, the question at issue turns on whether the use of the marks involved would likely to cause confusion or mistake in the mind of the public or deceive purchasers.

In contrast, the “*holistic test*” entails a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity.

Applying the dominancy test, the Bureau of Legal Affairs finds and so holds that there exists confusing similarity of the competing trademarks as their dominant features, the letters “DC” which is exactly the same in *composition* and *pronunciation* as well as in *spelling*.

What remains to be resolved then is “WHO BETWEEN THE PARTIES HAS A BETTER RIGHT OVER THE MARK “DC”?”

Records will show that the Opposer’s mark “DC” has been registered in its country of origin “*United States of America*” bearing Registration No. 2,317,622 on *February 15, 2000* and claimed first use in commerce on *March 01, 1997* (Exhibit “A”-6”)

In the Philippines, the Opposer has obtained trademark registrations of its trademark as follows: (Exhibits “A-1” to “A-16”)

Trademark	Registration No.	Class
DC Sole Design	4-1999-002485 February 07, 2004	25
DC 7 Star Logo	4-1999-002488 February 07, 2004	25
DC Shoes	4-1999-002486 May 21, 2004	25
DCSHOESCOUSA	4-1999-002487 May 21, 2004	25

It is further observed that the Opposer’s trademarks have been registered and applied for registration in many countries including the Philippines since February 07, 2004 (Exhibits “A-1” to “A-16”)

The Opposer has not abandoned its *trademarks* or *use* and considering therefor that its trademarks are registered marks, its right to exclusive use of its marks if Respondent-Applicant’s application be approved will be in violation of Section 138 of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, which provides:

“Section 138. *Certificates of Registration.* – 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 of 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.”

As previously pointed out, the Respondent-Applicant's mark "DC" is confusingly similar to the marks of the Opposer, the dominant features of which is the letters "DC" and are registered trademarks, hence, approval of the application in question is contrary to Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines. Likelihood of confusion on the part of the consuming public is bound to occur, as well as confusion of source or origin. Compounding the likelihood of confusion and deception is the fact that the goods upon which Respondent-Applicant's mark are to be identical to the goods upon which the Opposer's mark is being used.

Finally, it is worth to note that the mark "DC" is part of the Opposer's corporate/trade name, which came into existence in 1989 and due to changes, it became "DC SHOES" in 1994 which stood for "DROORS CLOTHING SHOES".

As a corporate name, the Paris Convention mandates that a trade name shall be protected without need of registration and whether or not it forms part of a trademark. The ownership of a trademark or trade name is a property right which the owner is entitled to protect since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.

In Philips Exports B.V. vs. Court of Appeals (206 SCRA 457) the Supreme Court ruled:

"A corporation's right to use its corporate and trade name is a property right, a right *in rem* which it may assert and protect against the whole world in the same manner as it may protect its tangible property, real or personal against trespass or conversion. A corporation has the exclusive right to the use of its name which may be protected by injunction upon a principle similar to that upon which persons are protected in the use of trademarks and trade names. It is a fraud on the corporation which has acquired a right to the name and perhaps carried on its business thereunder, that another should attempt to use the same, or the same name with a *slight variation*, in such a way to induce persons to deal with it in the belief that they are dealing with the corporation which has given reputation to the name."

A further stated by the Supreme Court, the right to the exclusive use of a corporate name with freedom from infringement by similarity is determined by *priority of adoption*. There is no doubt that as previously stated, the Opposer have *adopted and used* the mark "DC" in 1994 and has been registered in this country since 2004.

WITH ALL THE FOREGOING, the Opposition is, as it is hereby SUSTAINED. Consequently, Application No. 4-2007-001068 filed on February 01, 2007 for the registration of the mark "DC CLASSICS (Stylized)" by "SHOEMART, INC." is, as it is hereby REJECTED.

Let the filewrapper of the trademark "DC CLASSICS (Stylized)" 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, 25 March 2009.

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