

FASHION 21, INC.
Opposer,
- versus -

IPC 14-2005-00137

Opposition to:
TM Application No. 4-2003-002915
(Filing Date: 28 March 2003)

ROMEO H. CHONG
Respondent-Applicant.

TM: "FOREVER TWENTY
ONE AND DEVICE"

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ROMEO H. CHONG AND FOREVER
21 FASHION APPAREL, INC.

IPC 14-2006-00071

Opposer,
- versus -

Opposition to:
TM Application No. 4-2003-011334
(Filing Date: 10 December 2003)

FASHION 21, INC.
Respondent-Applicant.

TM: "FOREVER 21"

x-----x

Decision No. 2007-39

DECISION

This decision pertains to:

1) IPC No. 14-2005-00137 which is a VERIFIED NOTICE OF OPPOSITION lodged by Fashion 21, Inc. to the application for the registration of the mark "FOREVER TWENTY ONE and Device" for Class 35 goods, namely, retail store services engaged in the selling of jewelry, handbags and wallets, clothing, and accessories under Application No. 4-2003-002915 filed by Romeo H. Chong and published for opposition in the IP Philippines (IP Phil.) Official Gazette circulated on August 24, 2005; and

2) IPC No. 14-2006-00071 which is a VERIFIED OPPOSITION lodged by Romeo H. Chong and Forever 21 Fashion Apparel, Inc. to the application for registration of the mark "FOREVER 21" likewise for Class 35 goods and likewise for retail store services featuring clothing and accessories, jewelry, and handbags and wallet under Application No. 4-2003-011334 filed by Fashion 21, Inc. and published for opposition in the IP Phil. Official Gazette circulated on March 28, 2006.

These cases are consolidated for decision that the parties involved are the same and the issues are identical.

Opposer Fashion 21, Inc. in IPC No. 14-2005-00137 which is the respondent-applicant in IPC No. 14-2006-00071 is a U.S. corporation with business address at 2001 S. Alameda Street, Los Angeles, California 90058, U.S.A. Opposers in IPC No. 14-2006-00071, namely, Romeo H. Chong who is a respondent-applicant in IPC No. 14-2005-00137, and Forever 21 Fashion Apparel Inc. both have their business address at No. 5 Greenview Compound, 295 Santolan Road, Quezon City.

The grounds for opposition by opposer Fashion 21, Inc. in IPC No. 14-2005-00137 are as follows:

1. Opposer is the registered owner of the mark "FOREVER 21" as evidence by various Certificate of Registration issued in its name worldwide which have not been abandoned and are currently in force;

2. Opposer is also the applicant in the Philippines for the mark "FOREVER 21" under Application Serial No. 4-2000-004681 filed on June 6, 2000 for "retail store services featuring clothing and accessories, jewelry and handbags and wallets falling under Class 42; and under Application Serial No. 4-2001-07623 filed on October 10, 2001 for goods falling under Classes 14, 18 and 25;

3. Opposer filed anew applications for the trademark "FOREVER 21" under Application Serial No. 4-2003-011334 filed on December 10, 2003 for goods under Class 42; and under Application Serial No. 4-2005-003126 filed on April 6, 2005 for goods under Classes 14, 18 and 25;

4. The mark "FOREVER 21" ha been continuously applied to opposer's products since its adoption;

5. Opposer has invested tremendous amount of resources in the promotion of its "FOREVER 21" trademark as a result of which said mark has gained local as well as international popularity and repute;

6. The mark "FOREVER 21" has come to be and is now popularly known throughout the world and in the Philippines such that opposer's products bearing said mark have become identified as coming from opposer;

7. The tremendous goodwill established by opposer's mark "FOREVER 21" nurtured through its long use, the superior quality of opposer's products; and public acceptance of these products are invaluable assets of opposer which must be protected from infringement and unfair competition;

8. The mark "FOREVER TWENTY ONE and Device" is confusingly similar to opposer's well-known mark "FOREVER 21", the latter of which has been previously used in commerce and registered in the U.S.A and in other countries, and not abandoned as to likely cause deception, confusion, and mistake on the part of the purchasing public when applied to or used in connection with respondent-applicant's goods;

9. Respondent-applicant's registration of the mark "FOREVER TWENTY ONE and Device" will diminish the distinctiveness and goodwill of opposer's mark "FOREVER 21";

10. In view of the prior adoption, use and worldwide trademark registrations for opposer's mark "FOREVER 21", respondent-applicant is clearly not entitled to register the mark "FOREVER TWENTY ONE and Device";

11. Respondent-applicant intentionally and fraudulently applied for registration of the mark "FOREVER TWENTY ONE and Device" to take advantage of the popularity and goodwill generated and connected with opposer's world-famous "FOREVER 21" mark: There are limitless names and designs available yet respondent-applicant chose to adopt the "FOREVER TWENTY ONE and Device" to confuse, mislead, or device purchasers into believing that respondent-applicant's goods are those of opposer;

12. Respondent-applicant's use and adoption in bad faith of the mark "FOREVER TWENTY ONE and Device" would falsely tend to suggest a connection with opposer and would, therefore, constitute fraud on the general public and further cause dilution of the distinctiveness of opposer's mark to opposer's prejudice and irreparable damage;

13. Respondent-applicant has no bona fide commercial use in the Philippines of the mark "FOREVER TWENTY ONE and Device"; and

14. The registration of the mark "FOREVER TWENTY ONE and Device" in respondent-applicant's name will violate Sections 123 and 147 of the IP Code, Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property, and the GATT-TRIPS Agreement to which the Philippine and the U.S.A. are parties.

On March 17, 2006, respondent-applicant Romeo H. Chong filed an ANSWER admitting his personal circumstances as stated in the first paragraph of the VERIFIED NOTICE OF OPPOSITION as well as Paragraphs 2 and 3 under the heading "Affirmative Allegations" in said VERIFIED NOTICE OF OPPOSITION, denying the rest of the allegations, and alleging the following affirmative defenses:

1. The popularity of the mark "FOREVER TWENTY ONE and Device" in the Philippines was due to respondent-applicant's time, money, and effort through his operation of a chain of stores in this country since the year 2000;

2. Said mark is also the name of respondent-applicant's company, Forever 21 Fashion 21 Fashion Apparel Company, Inc. that is involved in the operation of the chain of stores under the mark "FOREVER TWENTY ONE and Device";

3. The mark "FOREVER TWENTY ONE and Device" is not internationally well-known in favour of opposer;

4. Application Serial No. 4-2000-004681 in opposer's name filed on June 6, 2000 for retail stores as mentioned in Paragraph 2 under the heading "Affirmative Allegations" of the VERIFIED NOTICE OF OPPOSITION was abandoned and therefore, should not be considered in this case;

5. Application Serial No. 4-2003-011334 in opposer's name filed on December 10, 2003 for retail stores as mentioned in Paragraph 3 under the heading "Affirmative Allegations" of the VERIFIED NOTICE OF OPPOSITION has a filing date later than the filing date of the application subject matter of this Opposition case;

6. Application Serial No. 4-2005-003126 in opposer's name filed on April 06, 2005 for goods covered under Classes 14, 18 and 25 as mentioned in Paragraph 3 under the heading "Affirmative Allegations" of the VERIFIED NOTICE OF OPPOSITION has a filing date later than the filing date of the application subject matter of this Opposition case;

7. Respondent-applicant has filed an application for registration for goods under Classes 18 and 25 with an earlier filing date; and

8. Consequently, thus, the instant Opposition should be dismissed for lack of merit as respondent-applicant is the owner of the applications for registration having the earliest filing date for the mark "FOREVER 21" in Classes 18, 25, 35, and 42; and as opposer's mark is not well-known.

Meanwhile, the grounds for opposition by opposers Romeo H. Chong and Forever Apparel, Inc. in IPC No. 14-2006-00071 are as follows:

1. Opposer Romeo H. Chong is the owner of Application Serial No. 4-2003-002915 for the mark "FOREVER TWENTY ONE and Device" for retail stores which was filed earlier than the application opposed herein;

2. The name of respondent-applicant' in the instant case has the words "FOREVER TWENTY ONE" as the dominant name which is identical to the dominant words of the application opposed herein;

3. The goodwill of the mark "FOREVER TWENTY ONE" in the Philippines belongs to opposers as they have a total of fourteen (14) outlets located inside Shoemart, Robinsons, and Market! Market!; and

4. The registration of the mark "FOREVER TWENTY ONE" in respondent-applicant's name will violate the trademark rights of opposers by causing confusion as to source or origin between opposers' goods and services on one hand and respondent-applicant's goods/services upon the other hand.

On October 11, 2006, respondent-applicant Fashion 21, Inc. in IPC No. 14-2006-00071 filed a VERIFIED ANSWER admitting the allegations in regard to its application for registration of the mark "FOREVER21" and the publication thereof, specifically denying the rest of the allegations in the VERIFIED OPPOSITION, and alleging the following affirmative defenses:

1. Respondent-applicant's mark "FOREVER 21" in Class 35 as well as in other Classes, i.e., 14, 18, and 25 has been used in commerce in the U.S.A since 1989;

2. Respondent-applicant's market for products bearing the mark "FOREVER 21" has grown exponentially to cover over three hundred eighty (380) outlets throughout the world, its annual worldwide sales of "FOREVER 21" branded products is at about Nine Hundred Forty Four, Thirty Eight Thousand and Five Hundred Ten Million Dollars (U\$\$ 944,038,510.00), and its range of products are also available on the internet and are, thus, accessible to Philippine consumers;

3. It is apparent that opposer intentionally and fraudulently applied for registration of the mark "FOREVER TWENTY ONE and Device" to take advantage of the popularity and goodwill generated and connected with respondent-applicant's world-famous mark "FOREVER 21" as respondent-applicant is the first originator and first user of the mark "FOREVER 21" in commerce in the international market, and as there are limitless names and designs available and yet opposer chose to adopt the mark "FOREVER TWENTY ONE and Device";

4. Opposer's adoption of the mark "FOREVER TWENTY ONE and Device" was intended to confuse, mislead or deceive purchasers as it would falsely tend to suggest a connection with respondent-applicant's business and would, therefore, constitute fraud to the general public and cause dilution of the distinctiveness of the mark "FOREVER 21" to respondent-applicant's prejudice and irreparable damage;

5. Respondent-applicant has priority in the filing of an application for registration of the mark "FOREVER 21" in Class 35: It initially submitted Application Serial No. 4-2000-004681 filed on June 6, 2000 for "retail store services featuring clothing and accessories, jewelry, and handbags and wallets" under Class 35, and it likewise filed Application Serial No. 4-2001-07623 on October 10, 2001 for goods under Classes 14, 18 and 25, both of which are prior to the trademark applications of opposer Romeo H. Chong under Class 35 which is used as his present ground for filing the instant opposition which was filed only on March 28, 2003; and

6. Respondent-applicant filed fresh applications for the mark "FOREVER 21", namely Application Serial No. 4-2003-11334 under Class 42 on December 10, 2003 and Application Serial No. 4-2005-003126 under Classes 14, 18, and 25 on April 6, 2005; and the grant of registration to opposers' mark "FOREVER TWENTY ONE and Device" will violate Sections 123 and 147 of the IP Code, Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property, and the GATT-TRIPS Agreement to which the Philippines and the U.S.A. are parties.

Preliminary conference was set to January 16, 2007 during which only counsel for Fashion 21, Inc. appeared and who moved that Romeo H. Chong and Forever 21, Fashion Apparel, Inc. be deemed to have waived their right to submit position paper and/or draft decision. The motion was granted. Thereafter, the preliminary conference was deemed terminated.

Pursuant to Officer Order No. 2007-115, opposer was directed to file its position paper and, if desired, a draft decision within a non-extendible period of twenty (20) days from receipt of said Order. Opposer filed its Position Paper on February 14, 2007.

The issues to be resolved in the instant cases herein are:

1. Whether Romeo H. Chong's and / or Forever 21 Fashion Apparel, Inc.'s mark "FOREVER TWENTY ONE and Device" is confusingly similar to Fashion 21, Inc.'s mark "FOREVER 21"; and
2. Whether Fashion 21, Inc.'s mark "FOREVER 21" is an internationally well-known mark.

Confusing similarity or colorable imitation denotes such a close or ingenious imitation as to be calculated to deceive ordinary persons, or such a resemblance to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one supposing it to be the other (*Etepha A.G. v. Director of Patents, et. al*, G.R. No. L-20635, March 31, 1996). The ordinary prudent purchaser is induced to purchase one product in the belief that he was purchasing the other in which case, the imitation goods and the poorer quality of the former reflects adversely on the reputation of the owner of the original marks and goods (*Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et. al.*, G.R. No. L-19906, April 30, 1969). In this case, there is confusion of goods. Moreover, the public is induced to believe that the imitation goods originate from the owner of the original mark and goods, and that there is a connection between said owner and the owner of the imitation goods (*McDonald's Corporation, et. al. v. L.C. Big Mark Burger, Inc. et al.*, G.R. No. 149339. August 18, 2004; *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et. al.*, supra). In this case, there is confusion of business.

In the case at bench, this Bureau finds that the marks of Fashion 21, Inc., of Romeo H. Chong and / or Forever 21 Fashion Apparel, Inc. are confusingly similar in the sense that both in fact contain the word "FOREVER" and the figure "21" making both visually, and aurally or phonetically the same. Moreover, the marks of Fashion 21, Inc. and of Romeo H. Chong and / or Forever 21 Fashion Apparel, Inc. are used on the same goods under the same class. Confusion of goods as well as confusion of business are likely, thus to arise.

For a mark to be considered as well-known, the following elements must be taken into account.

1. the mark is considered by the competent authority in the Philippines, which may be the court; the IP Phil. Director General; or the Director of this Bureau, to be well-known internationally and in the Philippines;
2. registered or not, the mark is already the mark of a person other than the applicant for registration;
3. the mark is used for identical or similar goods; and
4. that the relevant sector of the public internationally and in the Philippines has knowledge of such mark obtained as a result of the promotion thereof.

It appears from Fashion 21, Inc.'s evidence that it sells goods under Class 35 bearing the mark "FOREVER 21" through retail outlets in parts of the U.S.; and also in Edmonton, Canada; Abu Dhabi and Dubai, the United Arab Emirates; and Singapore (Annex "A" of Exhibits "B" (Affidavit of Lawrence H. Meyer). However, such extent of sale does not suffice for Fashion 21, Inc.'s mark "FOREVER 21" to be considered as well-known. Such geographic reach to the public is in fact limited. The stores are mostly in the United States, only one in Canada, three in the United Arab Emirates or Middle East, and one in Asia which is located in Singapore. The mark may be registered in some countries in Europe; four countries in Asia (China, Indonesia,

Singapore and Taiwan); three countries in Central and South America (Argentina, Mexico, and Panama); two countries in the Middle East (the United Arab Emirates and Israel); and the United States but to this Bureau's discretion, this extent likewise is limited and does not suffice such mark to be considered as well-known (Annex "E" of Exhibit "B" (Affidavit of Lawrence H. Meyer). Fashion 21, Inc.'s evidence does not measure up to two (2) criteria provided for by the *Rules on Trademarks, Service Marks, Trade Name and Market or Stamped* ("Trademark Rules") in determining whether a mark is well-known, namely:

1. the extent and geographical area of the mark's use, in particular, the extent and geographical area of any promotion of the mark which includes advertising or publicity of the goods to which the mark applies; and

2. the extent to which the mark has been registered in the world.

Internationally, the, Fashion 21, Inc.'s mark "FOREVER 21" cannot be considered as well-known.

Likewise, said mark cannot be considered well-known in the Philippines as no evidence of the presence of stores in, or sales in commerce done in the Philippines was presented by Fashion 21, Inc. No sales invoices or receipts as a result of sales in the Philippines of goods under Class 34 using the mark "FOREVER 21" were presented in evidence. Fashion 21, Inc. alleges that its range of products is also available on the internet and are, thus, accessible to Philippine consumers. This may be true but accessibility is not equivalent to actual use of the mark in the Philippines by only which a mark may be considered as well-known. Actual use of the mark, in turn, is gauged by the sales in commerce of the goods bearing the mark. There is no evidence shown that sales in the Philippines through the internet have been made regarding Fashion 21, Inc.'s goods under Class 35 bearing the mark "FOREVER 21". Even without the sales receipts and/or invoices, no evidence was presented to show at least that Filipino buyers in the Philippines are aware and do buy such goods through the internet. Fashion 21, Inc.'s Messageboard For The Years 2002-2004 do not indicate any Filipino buyer in the Philippines visiting and buying through Fashion 21, Inc.'s website Class 35 goods bearing the mark "FOREVER 21" (Exhibit "C", Declaration Of Jay Cha). It cannot be presumed that as Fashion 21, Inc.'s goods bearing the mark "FOREVER 21" are available in the internet through its website and that anyone can access it including Philippine consumers, said mark is already well-known among Philippine consumers. Fashion 21, Inc.'s mark "FOREVER 21" cannot be considered, thus, as well-known in the Philippines.

Records show that Fashion 21, Inc. filed Application Serial No. 4-2000-004681 on June 6, 2000 for Class 42 goods which are essentially identical to Class 35 goods but this application was abandoned (*CF. Trademark Online Search System*). Fashion 21, Inc. then filed Application Serial No. 4-2001-07623 on October 10, 2001 for Classes 14, 18, and 25 goods which are similar or related to Class 35 goods but this application was "abandoned in publication" *CF. Trademark Online Search System, supra*).

Meanwhile, Romeo H. Chong filed Application Serial No. 4-2003-002915 on March 28, 2003 for Class 35 goods while Fashion 21, Inc. filed Application Serial No. 4-2003-011334 on December 10, 2003 for Class 35 goods. Romeo H. Chong's application for the subject mark is, thus, earlier than respondent-applicant's application for its "FOREVER 21" mark.

Section 123.1 (d) of the IP Code provides:

"A mark cannot be registered if it:

(d) Is identical with a mark with an earlier filing or priority date in respect of:

- (i) The same goods . . . or
- (ii) Closely related goods . . . or

(iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion.

In view hereof and, as discussed earlier, this Bureau's finds that Fashion 21, Inc.'s mark "FOREVER 21" is not well-known internationally per the criteria provided by the *Trademark Rules* and also in the Philippines in the absence of promotion nor actual use of such mark in the Philippines. Although it presented copies of its advertisements through its website in the internet (Annex B) as part of its documentary evidence, the same could not be considered as proof that its mark is internationally well-known since it bears no date as to when said advertisements were posted in the internet. Fashion 21, Inc. likewise presented samples of its advertisements and features in different magazines, however the dates of publication of these magazines were November 2003; October 21, 2004; April 2005; July 2005 and October 2005 (Annex D inclusive of sub markings) or after subject application for FOREVER 21 filed by Romeo H. Chong hence, there was no proof that Fashion 21, Inc. has promoted its own trademark before the filing of subject trademark application of Romeo H. Chong. Considering that Romeo H. Chong's Application Serial No. 4-2003-002915 has an earlier filing date, i.e March 28, 2003 and that Fashion 21, Inc.'s application was filed later on December 10, 2003, this Bureau rules that in accordance with Sec. 123.1 (d) of R.A. 8293 Romeo H. Chong has a better right over the mark FOREVER 21, he being the earlier filer.

WHEREFORE, the VERIFIED NOTICE OF OPPOSITION in IPC No. 14-2005-00137 filed by FASHION 21, INC is hereby DENIED. Accordingly, the VERIFIED OPPOSITION in IPC No. 14-2006-00071 filed by Romeo H. Chong and /or Forever 21 Fashion Apparel, Inc. is hereby SUSTAINED. Consequently, Application Serial No. 4-2003-002915 filed by Romeo H. Chong on March 28, 2003 for the registration of the mark "FOREVER TWENTY ONE and DEVICE" for Class 35 goods is hereby GIVEN DUE COURSE, while Application Serial No. 4-2003-011334 filed by Fashion 21, Inc. on December 10, 2003 for the registration of the mark "FOREVER 21" for Class 35 goods is hereby REJECTED.

Let the filewrappers of "FOREVER TWENTY ONE and DEVICE" and FOREVER 21 subject matters of these cases together with this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERD.

Makati City, March 27, 2007.

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