

GIANNI VERSACE, S.P.A.,
Opposer,
- versus -

IPC 14-2006-00061

Opposition to:
TM Application No. 4-1992-84792
(Filing Date: 03 May 2001)

WALLIE LEE
Respondent-Applicant.

TM: "VERSUS & DEVICE"

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Decision No. 2007-42

DECISION

This resolves the Petition for Cancellation filed by Gianni Versace, S.p.A., a company organized and existing under the laws of Italy, with principal office at Via Manzoni, 38-20121, Milano, Italy, of Certificate of Registration No. 4-1992-84792 for the mark "VERSUS" registered on 3 May 2001 for goods under Classes 18, 24 & 25 namely: "shoes, sandals, slippers, boots, jeans, pants, t-shirts, polo shirts, briefs, shorts, socks, handkerchiefs, belts, jogging pants, sweatshirts, suits, coats, overcoats, topcoats, jackets, neckties, vests, handbags, overnight bags, travel bags, school bags, headband, wristband, scarf, wallet, blouses, ladies pants and shirts" in the name of Wallie Lee, a Filipino with address at 137 Raja Matanda St., Tondo, Manila.

The grounds relied upon by the Petitioner are as follows:

- "1. The Respondent-Registrant's registration of its mark "VERSUS" contravenes Section 123.1 sub-paragraphs © and (f) of republic Act No. 8293 ("Republic Act No. 8293 or the Intellectual Property Codes of the Philippines").
- "2. Respondent-Registrant's "VERSUS" mark so resembles the Petitioner's previously registered marks in the Philippines, namely (a) "VERSUS AND DEVICE" bearing Registration No. 4-1996-112722 issued on July 4, 2002, for the goods falling under International Class 18; and (b) "VERSUS & DEVICE" bearing Registration No. 4-1996-112721 issued on April 12, 2002, for the goods falling under International Class 9, as to be likely when applied to or used in connection with the Respondent-Registrant's goods, deceive or cause confusion with those of Petitioner's goods. Petitioner's aforementioned Philippine trademark registrations are both valid for a period of twenty (20) years each from their respective dates of registration, and remain valid and subsisting to date. Certified true copies of Petitioner's afore-identified Trademark Certificates of Registration obtained from this Honorable Office are attached to a duly executed, notarized and legalized Affidavit of Ownership executed by Petitioner's Legal Officer, Mr. Massimiliano Caforio, that form part of the attachments to the instant Petition. In compliance with Section 5 of Office Order No. 79, Series of 2005 (Amendments to the Regulations on Inter Partes Proceedings, as amended by Office Order No. 18, Series of 1998 and as modified by Officer Order No. 12, Series of 2002), the corresponding markings of all of Petitioner's documentary exhibits/ affidavits of its witnesses shall be made, and shall be properly delineated hereunder.
- "3. The use by Respondent-Registrant of the mark "VERSUS" on goods that are similar, identical or closely related to the goods that are produced by, originated from, or are under the sponsorship of Petitioner, will greatly mislead the purchasing public into believing that Respondent-Registrant's goods are produced by, originated from, or a re under sponsorship of herein Petitioner.
- "4. Petitioner began use of its "VERSUS" and "VERSUS & DEVICE" marks in Italy since 1979 and elsewhere around the world, since 1989. Petitioner has not

abandoned the use in the Philippines and elsewhere around the world of its “VERSUS” and “VERSUS & DEVICE” marks (the Petitioner’s Marks).

- “5. Petitioner’s marks are well-known ones which are entitled to broad protection under Article 6bis of the Paris Convention for the Protection of Industrial Property (the “Paris Convention”) and Article 16 of the Trade-Related Aspects of Intellectual Property (the “TRIPS Agreement”), to which the Philippines and Italy are signatories, as well as to applicable provisions of our Intellectual Property Code.
- “6. The registration of Respondent-Registrant’s “VERSUS” mark contravenes the provision of Republic Act No. 8293, the Paris Convention and the TRIPS Agreement, hence is subject to cancellation under Section 155.1 sub-paragraphs (a) and (b) of Republic Act No. 8293.

In compliance with the Office Order 79, Series of 2005, as amended or new Rules in *Inter Partes Proceeding*, petitioner, submitted the following evidence in support of its petition, to wit:

Documentary Exhibits	Description/Nature of Document
“A” to “A-3”	Duly executed, notarized and legalized Affidavit of Ownership of Mr. Massimiliano Caforio, Legal Officer of the Petitioner.
“B” to “B-2”	Certified copy of Trademark Certificate of Registration No. 4-1996-112722 for the mark “VERSUS AND DEVICE (Consisting of the word “VERSUS’ written in capital letters at the bottom of which is the designer’s signature. Gianni Versace)” issued by the Intellectual Property Philippines of the Philippines (IPO) in the name of the Petitioner, with July 4, 2002 as registration date, covering Class 18 goods (identified as Annex “A” of Mr. Caforio’s Affidavit of Ownership)
“C” to “C-2”	Certified copy of Trademark Certificate of Registration No. 4-1996-112721 for the mark “VERSUS AND DEVICE (Consisting of the word ‘VERSUS’ written in capital letters at the bottom of which is the designer’s signature ‘Gianni Versace’)” issued by the Intellectual Property Office of the Philippines (IPO) in the Petitioner’s name, with April 12, 2002 as registration date, covering Class 9 goods (identified as Annex “B” of Mr. Caforio’s Affidavit of Ownership).
“D” to “D-14”	List of worldwide registration obtained for the Petitioner’s “VERSUS” and “VERSUS & DEVICE” marks (identified as Annex “C” of Mr. Caforio’s Affidavit of Ownership).
“E” to “E-1”	List of Trademark Applications filed by Petitioner for its “VERSUS” Marks (Identified as Annex “D” of Mr. Caforio’s Affidavit of Ownership).
“F” to “F-4”	Certified true copy of Trademark Certificate of Renewal Registration No. 00851398 for the mark “VERSUS” issued by the Italian Patents and Trademarks Office to the Petitioner valid from November 30, 1998, together with its verified English translation.
“G” to “G-9”	Certified true copy of Trademark Certificate of Registration No. 509539 for the mark “VERSUS” issued by the Italian Patents and Trademarks Office issued to the Petitioner valid from February 17, 1989, together with its verified English translation, covering goods falling under International Classes 3, 9, 18 and 25.
“H” to “H-5”	Certified true copy of Chinese Trademark Certificate No. 00950965 for the mark “VERSUS” issued by the Intellectual

	Property Office of the Republic of China to the Petitioner valid from July 16, 2001 covering the goods falling under International Class 18, together with its verified English translation.
"I" to "I-5"	Certified true copy of Chinese Trademark Certificate No. 00941911 for the mark "VERSUS" issued to the Petitioner by the Intellectual Property Office of the Republic of China valid from May 16, 2011 covering goods falling under International Class 25, together with its verified English translation.
"J" to "J-1"	Certified true copy of Malaysian Trademark Certificate of Registration No. 00002428 for the mark "VERSUS" issued to the Petitioner by registrar of Trade Marks of Malaysia valid from March 6, 2000 covering the goods falling under International Class 18.
"K" to "K-1"	Certified true copy of Malaysian Trademark Certificate of Registration No. 00002428 for the mark "VERSUS" issued to the Petitioner BY register of Trade Marks of Malaysia valid from March 6, 2000 covering the goods falling under International Class 25.
"L" to "L-2"	Duly executed, notarized and legalized Affidavit of Mr. Daniele Ballestrazzi, one of Petitioner's Directors.
"L-3"	Worldwide Sales Figure and Advertising Investments of Petitioner made in relation to products sold/advertisements made of products bearing the marks "VERSUS" and "VERSUS & DEVICE" for the years 1999-2004 (annexure to Mr. Ballestrazzi's Affidavit).
"M" to "M-2"	Duly executed, notarized and legalized Affidavit of Mr. Massimiliano Caforio, Petitioner's Legal Officer on advertisements made of products bearing Petitioner's "VERSUS" and "VERSUS & DEVICE" marks.
"M-3 to "M-5"	Cover page of March 2002 issue of the New York Times Magazine of the United States of America, actual advertisements featuring the "VERSUS" marks that appeared in the publication, and notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-6" to "M-8"	April 2002 issue of I-D magazine of the United Kingdom, actual advertisement featuring the "VERSUS" mark that appeared in this publication and notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-9" to "M-11"	June 2002 issue of Elle Magazine of Japan, actual advertisement featuring the mark "VERSUS" appeared in this publication and notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-12" to "M-14"	Summer 2002 issue of Mode Max Magazine of France, actual advertisements featuring the mark "VERSUS" appeared in this publication, and notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-15" to "M-17"	April 2003 issue of L'Officiel of France, actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-18" to "M-20"	April 2003 issue of Numero Magazine of France, actual advertisement featuring the mark "VERUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-21" to "M-23"	April 2003 issue of Interview Magazine of the U.S.A., actual advertisement featuring the mark "VERSUS" that appeared in

	this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-24" to "M-26"	April 2003 issued of Interview Magazine of the U.S.A., actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-27" to "M-30"	November 2004 issued of City Magazine of Hong Kong, actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-31" to "M-33"	November 2004 issued of Marie Claire Magazine of Hong Kong, actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-34" to "M-36"	Season 2005/2005 issued of Le Monde de l'optique of France, actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"M-37" to "M-39"	November 2004 issued of Zip Magazine of Hong Kong, actual advertisement featuring the mark "VERSUS" that appeared in this publication, notarized attestation (annexures to Mr. Caforio's Affidavit).
"N" to "N-6"	Certified true copy of Decision 211-2002 rendered by the Intellectual Property General Directorate, Industrial Property Register Office of Honduras in favour of the Petitioner, pertaining to the Opposition filed against the application for registration of the mark "VERSUS" filed in Honduras by Framaceutica Internationak S.A. DE C> V for goods falling under International Class 3, together with its verified English translation.
"O" to "O3"	Extract of a Decision rendered by the Spanish Office of Patents and Trademarks in favor of herein Petitioner, with respect to the Oppositions filed against the applications for registration for the marks "VERSUS VERSACE" with A-1504703 for Class 25 goods; "VERSUS" with A-1665512 for Class 35 services; "VERSUS" with H-548171 for Class 25 goods; "VERSUS" with H-538014, H-572451 for Class 25 goods filed in Spain Salequich, S.L.L., together with its verified English translation.
"P" to "P-42"	Excerpt of Judgment of Commercial Case in the First Instance from the District / Commercial Court of Central Jakarta No. 077/MEREK/2003/PN. NIAGA. JKT. PST, issued on December 19, 2005 against Sutardjo Jono, defendant, in respect of the latter's registration of the brand "V2 VERSI VERSUS".
"Q" to "Q-2"	Extract of the document marked as exhibits "P" to "P-42" in its original Indonesian Language.

Respondent-registrant filed his answer on 8 September 2006 and raised the following affirmative and special defenses, to wit:

"10. Respondent-registrant respectfully reiterates by way of affirmative and/or special defenses, that the Petitioner is now barred by prior judgment and/or estoppel to question the validity of Registration No. 4-1992-84792, as evidenced by Exhibits "1-f"; "1-g"; "1-l"; and "1-j";

"11. Further, there exists no valid or legal ground for the cancellation of Registration No. 4-1992-24792. Respondent-registrant adopted and has been using the trademark

VERSUS in good faith and Registration No. 4-1992-84792 was issued in his favour after he had complied with, and in accordance with Republic Act No. 166, as amended, and the Revised Rules of Practice in Trademark Cases”.

In compliance with the Office Order 79, Series of 2005, as amended or new Rules on Inter Partes Proceedings, respondent-registrant submitted the following evidence in support of its Answer, to wit:

EXHIBIT	DESCRIPTION
“1” to “1-1”	Certified copies of the documents form the file wrapper of Registration No. 4-1992-84792
“2”	Notarized affidavit of Wallie Lee
“3” to “3-c”	Sales invoices of Louie Merchandising International Corporation showing sales of goods bearing the mark “VERSUS”

The Preliminary Conference was set initially set on 24 October 2006 but no amicable settlement was reached between the parties.

The issues in this case are 1) whether the petitioner’s mark “VERSUS” is an internationally well known mark 2) Whether the respondent-registrant is entitled to the registration of the “VERSUS” mark or whether his registration was obtained fraudulently and whether the marks of the contending parties are confusingly similar.

Since the challenged Registration No. 4-1992-84792 issued in 2 May 2001 for the mark “VERSUS” was applied for registration on 15 October 1992 and persecuted under the provision of the old trademark law, this instant petitioner shall be resolved in accordance with Republic Act 166, the prevailing law at the time the application for registration was filed.

Petitioner alleges that its marks are well-known and seeks relief under the protective mantle of Article 6bis of the Paris Convention for the Protection of Industrial Property. Article 6bis provides:

ARTICLE 6 bis

“(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction an imitation or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and use for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any well-known mark or an imitation liable to create confusion therewith. xxx”

The Philippines, in showing its commitment to the protection of well-known marks and to implement the aforecited provision issued guidelines for the determination of what constitute well-known marks. The criteria for determining whether a mark is well known are enumerated in a memorandum date 25 October 1983 by the Minister of Trade, Roberto V. Ongpin. The Memorandum provides:

(1) Whether the trademark under consideration is well-known in the Philippines or is a mark already belonging to a person entitled to the benefits of the CONVENTION, this should be established, pursuant to Philippine patent Office procedures in inter partes and ex-pate cases, according to any of the following criteria or any combination thereof:

(a) a declaration by the Minister of Trade and Industry that the trademark being considered is already well-known in the Philippines such as the permission for its use by other than its original owner will constitute a reproduction imitation, translation or other infringement;

(b) that the trademark is used in commerce internationally supported by proof that the goods bearing the trademark are sold on an international scale, advertisements, the establishment of factories, sales offices, distributorships, a and the like, in different countries, including volume or other measure of international trade and commerce;

(C) that the trademark, actually belongs to party claiming ownership and has the right to registration under the provisions of the aforesaid PARIS CONVENTION.

In line with these precedents, an examination of the evidence of petitioner shows that it has insufficiently proven that its mark is well-known.

In reference to petitioner's evidence showing registration abroad, only the Italian registration (Exhibits "F" and "G") for the mark "VERSUS" ante-date respondent's application for its mark. The few other registrations submitted were obtained after the registrant has used the mark "VERSUS" and filed an application in the Philippines in 1992. The Chinese Registration was issued in the year 2001 (Exhibits "H" and "I"); the Malaysian Trademark Certificate was (Exhibits "J" and "K") issued in the year 2000. Petitioner's witness, Mr. Danielle Ballestrazzi (Exhibit "L") attached in his affidavit a one page print out of sales and advertising investments in millions of Euro incurred for Gianni Versace, s.p.a. and Versace Group is at most a vague testimony and cannot point to show how "VERSUS" mark has obtained immense popularity through these advertising and sales expenses. This Office further notes that as per affidavit-testimony of Massimiliano Caforio (Exhibit "M"), the advertisements showing the "VERSUS" published were contained in various publications dated from 2002 to 2005. These publications are after the respondent-registrant has already obtained its registration for the mark "VERSUS" in the Philippines and after it has proved use in the Philippines of the "VERSUS" mark.

After examination of its evidence, this Bureau concludes that these cannot sustain a finding that the mark is well-known in the Philippine. That petitioner was able to acquire registrations for its mark in the Philippines (Exhibit's "R" and "C") in the year 2002 will not bolster its claim.

On the issued that respondent-registrant's mark was obtained fraudulently or whether the registrant is entitled to the registration of the mark "VERSUS", under the provisions of the old trademark law, the ownership of a trademark can be acquired by lawful and actual commercial use of a mark not appropriated by another. Thus, Section 2-A, Republic Act 166 provides:

Sec. 2 – A. Ownership of Trademark, tradenames and service marks, how acquired. – Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, tradename or service-mark not so appropriated to distinguish his merchandise, business or service from the merchandise, business or service of others. The ownership of a trademark, tradename or service-mark, heretofore or hereafter appropriated as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws.

Thereafter, the owner of a trademark can register his trademark in accordance with Section 2, Republic Act 166, partly provides:

“Sec. 2. What are registrable. – Trademarks, tradename, and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines. Provided, That said Trademarks, tradenames, and service marks are actually in use in commerce and services not less than two months in the Philippines before the time the applications for registration are filed xxx”

Further, Section 4 of the same law provides what cannot be registered under the Principal register, it states:

“Sec. 4. Registration of trademarks, tradenames and service marks in the principal register. Xxx The owner of a trademark, tradename or service mark, to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it: xxx

- (d) Consist of or comprises a mark or trade name which so resembles a mark or trade registered in the Philippines or a mark or trade name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or deceive purchasers.”

Indubitably, the respondent-registrant had the legal right to apply for registration of the mark “VERSUS” when applied to goods under Class 18, 24 and 25, it appearing the mark “VERSUS” was not a mark registered in the Philippines nor was there any evidence that the same mark has been previously used by another.

Respondent-registrant in addition to the labels submitted during the prosecution of its application for trademark registration was able to submit evidence consisting of sales invoices (Exhibit “3” – a to c) to show continuous use of its mark “VERSUS” in the Philippines. These invoices prove sales in 1995, 1999, 2005 and 2006.

Use in the Philippines as basis for ownership cannot be overemphasized. In the more recent case, the High Court in the case of Philip Morris, Inc. Benson & Hedges (Canada), Inc., and Fabriques de Tabac Reunies, S.A. v. Fortune Tobacco Corporation, GR No. 15859, 27 June 2006 (pages 9, 10, 12) held:

“True, the Philippines adherence to the Paris Convention effectively obligates the country to honor and enforces its provisions as regards the protection of industrial property of foreign nationals in this country. However, any protection accorded has to be made subject to the limitations of Philippine laws. Hence, despite Article 2 of the Paris Convention which substantially provides that (1) national of member-countries shall have in this country rights specially provided by the Convention as are consistent with Philippine laws, and enjoy the privileges that Philippine laws now grant or may hereafter grant to its nationals, and (2) while no domicile requirement in the country where protection is claimed shall be required of persons entitled to the benefits of the Union for the enjoyment of industrial property rights, foreign nationals must still observe and comply with the conditions imposed by Philippine laws on its nationals.

Considering that R.A. No. 166, as amended, specifically Sections 2 and 2-A thereof, mandates actual use of the marks and/or emblems in local commerce and trade before they may be registered and ownership thereof acquired, the petitioners cannot, therefore, dispense with the element of actual use. Their being nationals of member – countries of the Paris Union does not alter the legal situation.”

And on the issue that the two contending marks are confusingly similar, such issue need not be discussed in view of the finding that the validity of registration obtained by respondent-

registrant is sustained. Be that as it may this Bureau notes that there appears to be a distinction between the parties' marks, which we reproduce below for reference:

It is observed that the registered mark of the petitioner includes a designer's signature, "Gianni Versace" appearing at the bottom of the word "VERSUS" (Exhibits "B" and "C") effectively dispelling any likelihood of confusion between the marks. Notably, the indication of the designer's name "VERSACE" likewise appears on several of the publications of the mark "VERSUS" ("M-4", "M-7", "M-10", "M-13", "M-19", "M-32", "M-37" which differentiates the contending marks from each other.

WHEREFORE, premises considered, the Petition for Cancellation is hereby DENIED. Consequently, Trademark Registration Number 4-1992-84792 for the trademark "VERSUS" for goods falling under Class 18, 24, 25 namely, "shoes, sandals, slippers, boots, jeans, pants, t-shirts, polo shirts, brief, shorts, socks, handkerchiefs, belts, jogging pants, sweatshirts, suits, coats, overcoats, topcoats, jackets, neckties, vests, handbags, overnight bags, travel bags, school bags, headband, wristband, scarf, wallet, blouses, ladies pants and shirts", issued on May 3, 2001 to WALLIE LEE remains valid and subsisting unless cancelled by operation of law.

SO ORDERED.

Makati City, 30 March 2007.

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