

GUESS?, INC.,	}	IPC No. 14-2008-00318
Opposer,	}	Case filed: 28 November 2008
	}	Opposition to:
-versus-	}	App. Ser. No. 4-2008-007816
	}	Date Filed: 02 July 2008
QINGHAI CAI,	}	TM: "GUECC FASHION & Logo"
Respondent-Applicant.	}	
x-----x		Decision No. 09-36

DECISION

For consideration is the Verified Notice of Opposition filed on 28 November 2008 against the application for registration of the mark "GUECC" for use on garments namely, pants, shorts, jogging pants, bra, panties, brief, t-shirts, polo under class 25 of the international classification of goods bearing Application Serial No. 4-2008-007816, which was published for opposition in the Intellectual Property Office Electronic Gazette officially released for circulation on 19 September 2008.

Opposer, GUESS?, INC., is a corporation duly organized and existing under the laws of the State of Delaware in the United States, with business address at 1444 South Alameda Street, Los Angeles, California 90021.

Respondent-Applicant is QINGHAI CAI, a Chinese citizen with address at Unit A1 No. 90 Cuneta Avenue, Pasay City.

The grounds for Opposition to the registration of the mark are as follows:

"1. The trademark GUECC of the Respondent-Applicant resembles the trademark GUESS of Opposer and that the use of GUECC to the goods and/or services of the Respondent-Applicant would indicate a connection between the Opposer's goods and those of Respondent-Applicant to the damage and prejudice of the Opposer's goodwill and interest. There is a very close similarity of the Respondent-Applicant's mark to that of the Opposer especially when used in the same class of goods. In other words, the use of the Respondent-Applicant's mark GUECC will cause confusion or mistake upon and/or deceive purchasers or customers in that they will tend to believe that Respondent-Applicant's goods come from the Opposer. Hence, under the trademark law or rules, the trademark GUECC cannot be registered in favor of Respondent-Applicant for being deceptive and likely to cause confusion.

2. The trademark GUECC sought to be registered by the Respondent-Applicant is deceptively and confusingly similar to Opposer's mark GUESS that when used on the same class of goods clothing, the latter will be damaged, considering that its mark is very famous, thus, Opposer will be greatly damaged and prejudiced.

3. Opposer has registered its GUESS trademark in the Philippines under Certificate of Registration Nos. 4-1994-89612, 4-1995-101417, 4-2006-005755, 42473 and 59555. Opposer has developed the GUESS? signature image and GUESS? lifestyle concept through the use of our strong and distinctive images, merchandising display themes, logos and trademarks for which Opposer has over 2,300 trademark registrations or applications pending and over 400 copyright registrations or applications pending in approximately 10 countries worldwide. Of the 2,300 trademark registrations or applications, over 475 registrations have been filed for Opposer's trademark GUESS? In 80 countries

worldwide and over 295 trademark registrations have been filed for Opposer's trademark GUESS in 103 countries worldwide.

Opposer designs, markets, distributes and licenses one of the world's leading lifestyle collections of contemporary apparel and accessories for men, women and children that reflect the American lifestyle and European fashion sensibilities. It was founded in 1981 and currently operates as a Delaware corporation. Opposer's apparel is marketed under numerous trademarks including GUESS, GUESS?, GUESS U.S.A., GUESS Jeans, GUESS? And Kids, Baby GUESS, YES, G by GUESS, GUESS by Marciano and Marciano. The lines include full collections of clothing, including jeans, pants, overalls, skirts, dresses, shorts, blouse, shirts, jackets and knitwear. Opposer also selectively grant licenses to manufacture and distribute a broad range of products that complement its apparel lines, including eyewear, watches, handbags, wallets, luggage and related goods, footwear, kids and infant's apparel, small leather goods, swimwear, fragrance, jewelry and other fashion accessories.

GUESS products are sold through three primary distribution channels: in Opposer's own stores, to a network of wholesale accounts and through the internet at www.guess.com, www.guessfactory.com, www.marciano.com and by guess.com. GUESS? branded products, some of which are produced under license, are also sold internationally through a series of licenses and distributors.

4. Opposer has already spent much for the advertisement and promotion of the mark GUESS. GUESS has been manufacturing and selling GUESS branded products in various countries worldwide since as early as 1981 and in the Philippines since at least as early as 1993 and has established extensive goodwill and strong consumer recognition of its brands on a worldwide basis and in the Philippines. Hence, its business and goodwill will clearly be damaged and will suffer irreparable injury by the registration and use of the confusingly similar mark GUECC by the Respondent-Applicant.

5. As of December 31, 2007, Opposer operated 365 retail stores in the United States and Canada, and an additional 560 retail store worldwide, including the 94 retail stores in the Philippines. Additionally, the GUESS brand is sold in over 1,450 department stores locations nationwide.

The GUESS brand is world renowned and the GUESS advertising campaigns have won numerous awards for excellence throughout the 26 year history of the Company, including the CLIO award, the Belding award, the One Show, the London National Advertising award, the P.I.A. Award, the Mobius award and the Benny award, among many others. Opposer advertises on a regular and consistent basis in well-known fashion magazines in Europe (and worldwide) such as Vogue, Elle, GQ, Marie Claire, Fashion, Glamour, Grazia, In Style, Cosmo and many others. In addition, GUESS promotes its brand through the use of outdoor advertising, including billboards and kiosks and through special events like fashion shows, event sponsorship and related activities. Through Opposer's efforts, the GUESS brand is recognized worldwide.

Opposer has been listed as one of America's top 100 brands according to America's Greatest Brands; An Insight into Many America's Strongest and Most Trusted Brands, Vol. 3 published in 2003 and according to a Women's Wear Daily article dated June 7, 2007, the premier trade publication for the fashion and design industry, GUESS was ranked 5th out of the 12 brands. In an older survey by Women's Wear Daily, the Special Report, the WWD 100, dated June 2003, GUESS ranked 17th out of the top 100 of fashion's most recognized brands; GUESS ranked 6th out of the top 10 denim brands; and GUESS ranked 2nd out of

the top 10 young contemporary brands among such brands as Adidas, Nike, Tommy Hilfiger, Coach, Ralph Lauren, Levi's and Calvin Klein. These are just sampling of the press coverage Opposer's brand has received over the years.

6. The United States, the country where Opposer is subject, is a member of the Convention of Paris for the Protection of Industrial Property (Paris convention) and the World Trade Organization (WTO).

Opposer relied on the following facts to support its opposition:

7. The trademark GUECC of the Respondent-Applicant is deceptively similar to the GUESS of Opposer and similar also in respect to the goods to which they are used.

8. The trademark GUESS had been long registered here and in countries all over the world that it has become famous;

9. GUESS is recognized and well known mark not only in the United States but in almost all countries in the world that are members of the Paris Convention and/or the WTO. Hence, Opposer is entitled to the mantle of protection afforded under the Paris Convention provisions and the WTO.

10. Considering that Opposer's trademark GUESS is known locally and internationally, it deserves protection under the Intellectual Property Code of the Philippines, particularly, Sections 123, 134, 147 and relevant sections thereof."

In support of the opposition, Opposer submitted the following evidence:

Exhibits	Description of Documents
"A"	Samples of Opposer's outdoor advertising placements in various locations and ads in magazines in the Philippines
"B"	List of Licensee Retail Store of Opposer and sample photos of the stores
"C"	Certified copy of Philippine Certificate of Registration No. 4-1994-89612 for the mark GUESS for Class 42
"D"	Certified copy of Philippine Certificate of Registration No. 4-1995-101417 for the mark GUESS for Class 25
"E"	Certified copy of Philippine Certificate of Registration No. 4-2006-005755 for the mark GUESS for Class 03
"F"	Certified copy of Philippine Certificate of Registration No. 42473 for the mark GUESS for Class 25
"G"	Certified copy of Philippine Certificate of Registration No. 59555 for the mark GUESS? for Class 14

On 11 December 2008, a Notice to Answer the Verified Notice of Opposition was issued by the Bureau and personally served to Respondent-Applicant's representative Virgilio De Jesus on 23 January 2009. Despite having received said notice, Respondent-Applicant failed to file his Answer within the reglementary period. As a consequence, Order No. 2009-463 was issued waiving Respondent's right to file the answer and supporting documents and submitting the case for decision.

The sole issue to be resolved in this case is: WHETHER OR NOT RESPONDENT-APPLICANT'S MARK "GUECC FASHION & LOGO" IS CONFUSINGLY SIMILAR TO OPPOSER'S MARK "GUESS".

Section 123.1 (d) of Republic Act No. 8293, as amended, provides:

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



x x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

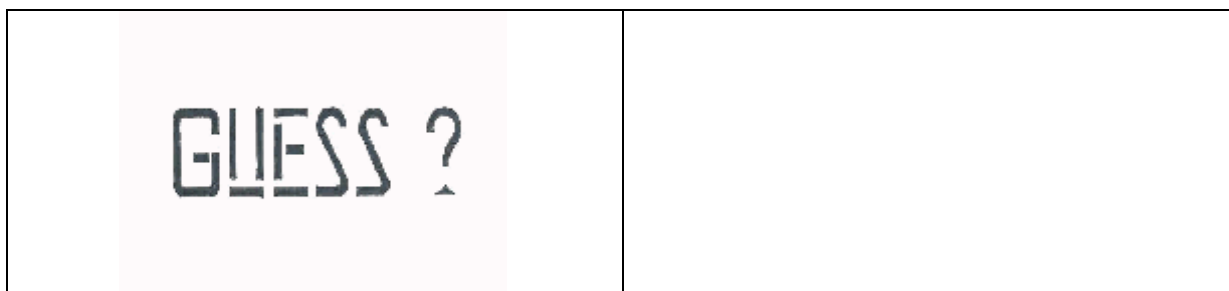
- i. The same goods or services, or
- ii. Closely related goods or services, or
- iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;"

In a long line of cases, the Supreme Court held that in cases involving infringement of trademark brought before the Court, it has been consistently held that there is infringement of trademark when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; whether or not trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the TEST OF DOMINANCY, meaning if the competing trademarks contain the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place. The duplication or imitation is not necessary. A similarity in the dominant features of the trademark would be sufficient.¹ The test of dominancy is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code, which defines infringement as the "colorable imitation of a registered mark . . . or a dominant feature thereof."²

To determine whether Respondent-Applicant's mark is confusingly similar to Opposer's mark, the parties' marks are illustrated below for purposes of comparison:

Opposer's Marks	Respondent-Applicant's Mark
	

¹ *Philippine Nut Inc. vs. Standard Brands Incorporated et al.*, 5 SCRA 575; *Co Tiong Sa vs. Director of Patents*, 94 Phil 1 citing *Viz Clarke vs. Manila Candy Co.* 36 Phil 100; *Alhambra Cigar & Cigarette Co., vs. Jao Oge*, 47 Phil 75; *Etepha A.G. vs. Director of Patents and Westmont Pharmaceuticals Inc.* No. L-20635, 16 SCRA 495.
² *L.C. Big Mak Burger, Inc. et al. vs. G.R. No. 143993.* August 18, 2004



It is clear from the comparison of the above-illustrated marks and by applying the dominancy test that, the mark GUECC FASHION so resembles the trademark GUESS, that it will likely cause confusion, mistake or deception on the part of the purchasing public.³ Respondent-Applicant's marks is similar to Opposer's in the sense that GUECC is aurally the same as GUESS; both marks are composed of five letters and they have the same first three (3) letters "G-U-E". Except for the font used and the fact that the last two letters "SS" in Opposer's GUESS mark was replaced with the double "CC" letters instead to form the mark GUECC, such differences, however, pales into significance because of their similarity in sound and their indistinguishable appearance. In one American case⁴, the rule applied was that, the conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term.⁵ Analogously, confusion cannot also be avoided by the merely changing the last two letters of a registered mark, as in this case. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchase as to cause him to purchase the one supposing it to be the other.⁶ As regards the second word "FASHION" in Respondent-Applicant's mark, the same cannot be appropriated for being descriptive since Class 25 are items of fashion and having been disclaimed by Respondent, the instant application for registration is focused on the word GUECC which is confusingly similar to Opposer's GUESS mark and therefore, its registration is proscribed.

In addition, both trademarks cover the same goods, that is, pants, shorts, jogging pants, bra, panties, brief, t-shirts, polo falling under Class 25 of the International Classification of goods. As such, both products flow through the same channels of trade, therefore, confusion between the two trademarks would likely result to prospective buyers.

It must be always emphasized that the protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut, which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same – to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, GUESS?, INC. against Respondent-Applicant QINGHAI CAI is, as it is hereby SUSTAINED. Consequently, the trademark application for the registration of the mark "GUECC FASHION" bearing Serial No. 4-2008-007816 filed on 02 July 2008 by Respondent-Applicant for arguments namely, pants, shorts, jogging pants, bra, panties, brief, t-shirts, polo belonging to Class 25 of the international classification of goods is, as it is hereby, REJECTED.

³ *Verified Opposition, page 7.*

⁴ *Continental Connector Corp. vs. Continental Specialties Corp. 207 USPQ 60.*

⁵ *Continental Connector Corp. vs. Continental Specialties Corp. 207 USPQ 60.*

⁶ *Societe Des Produits Nestle, et Al. vs. Court of Appeals. G.R. No. 112012. April 4, 2001*

Let the filewrapper of "GUECC FASHION" subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademark (BOT) for appropriate action.

SO ORDERED.

Makati City, 11 March 2009.

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