

MONTRAIL CORPORATION,  
*Opposer,*

-versus-

JACQUELINE CHU,  
*Respondent-Applicant.*

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IPC No. 14-2007-00334  
Case Filed: 26 Nov. 2007  
Opposition to:  
Appln. Serial No. 4-2006-002018  
Date Filed: 22 Feb. 2006  
Trademark: "MONTRAIL AND  
DEVICE"

Decision No. 09-14

## DECISION

For decision is the Opposition filed by Montrail Corporation, (the "Opposer") against Application No. 4-2006-002018 filed by Jacqueline Chu (the "Respondent-Applicant") on 22 February 2006 for the registration of the mark MONTRAIL AND DEVICE covering goods in 09/25 specifically for the following goods:

09	<i>Safety Shoes</i>
25	<i>Clothing, namely, t-shirts, sandos, muscle sleeve, polo, long sleeve, short sleeve; footwear, namely sandals, slippers, shoes, formal shoes, casual shoes, boots, sports shoes</i>

upon the ground that the mark MONTRAIL AND DEVICE is identical with and/or confusingly similar with its registered trademark MONTRAIL AND DEVICE.

Opposer, MONTRAIL CORPORATION (hereafter, the "Opposer") is a corporation duly organized and existing under the laws of the State of Oregon, U.S.A., with principal place of business at 14375 NW Science Park Drive, Portland, OR 97229, U.S.A.

Respondent-Applicant, Jacqueline Chu, a sole proprietor, has its business and/or mailing address at 1458 San Gregorio Street, Paco, Manila.

On 26 November 2007, Opposer filed the instant Opposition against Respondent-Applicant's Application for registration of the mark MONTRAIL AND DEVICE for goods under Classes 09 and 25.



### Grounds for Opposition

Opposer filed the instant Opposition and alleged as follows:

1. "The registration of the MONTRAIL AND DEVICE mark is contrary to the provisions of Section 123.1 (e) of Republic Act No. 8293, as amended, which prohibit the registration of a mark that:

"(e) Is identical with, or confusingly similar to, or constitute a translation of a mark which is considered by the competent 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 the mark is well-known, account shall be taken of the knowledge of the relevant sector of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark"

2. “The Respondent-Applicant’s mark is confusingly similar, if not exactly identical, to the Opposer’s well-known MONTRAIL trademark and a device representing the letter M or a mountain with two peaks (collectively the “MONTRAIL mark”) as to be likely to deceive or cause confusion. This is apparent from a comparison of both marks:

Opposer’s MONTRAIL Mark	Respondent-Applicant’s MONTRAIL AND DEVICE Mark
<p><i>Classification of Goods</i>                    25</p> <p>Footwear; including outdoor shoes and boots, hiking boots, climbing boots, trail shoes, trail running shoes, approach shoes and athletic shoes</p> <p><i>Representation of the Mark</i></p> 	<p>9, 25</p> <p>Safety Shoes;</p> <p>Clothing namely, t-shirts, sandos, muscle sleeve, polo, long sleeve, short sleeve; footwear, namely, sandals, slippers, shoes, formal shoes, casual shoes, boots, sports shoes</p> 

3. “The Opposer is the owner and prior user of the well-known MONTRAIL mark which is registered and/or applied for registration in foreign jurisdictions worldwide. In the U.S.A., the MONTRAIL mark is registered with the United States Patent and Trademark Office under class 25. The details of the registration are as follows:

Mark	Registration No.	Date Issued	Class
MONTRAIL	3,203,893	30 January 2007	25
MONTRAIL	3,241,168	15 May 2007	25
MONTRAIL	2,175,753	21 July 1998	25
MONTRAIL	2,182,997	18 August 1998	25

4. “Respondent-Applicant’s MONTRAIL AND DEVICE mark is an exact representation of the Opposer’s MONTRAIL mark as to be likely to deceive or cause confusion. The component MONTRAIL in Respondent-Applicant’s mark is a literal imitation of the Opposer’s MONTRAIL name. Further, the component DEVICE in Respondent-Applicant’s mark is indistinguishable from the Opposer’s MONTRAIL M logo.

Hence, the registration of the Respondent-Applicant’s mark will be contrary to Section 123.1 (e) of Republic Act No. 8293.

5. “The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, which provides:

“Section 3. International Conventions and Reciprocity. – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of

unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.”

6. “The Opposer is domiciled in the United States of America. Both the Philippines and the United States of America are members of the Paris Convention for the Protection of Industrial Property. The Paris Convention provides:

“Article 6bis

(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 considered by competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x.”

“Article 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition”

7. “The Opposer’s MONTRAIL mark is well-known and world famous mark. Hence, the registration of the Respondent-Applicant’s MONTRAIL AND DEVICE mark will constitute a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Section 3 and 123.1 (e) of Republic Act No. 8293.

8. “Respondent-Applicant’s MONTRAIL AND DEVICE mark was adopted knowingly, willfully, and in bad faith, with prior knowledge of the existence of the MONTRAIL mark and with the intention to ride on the fame, established reputation, and goodwill of the Opposer’s MONTRAIL mark by colorably imitating and copying the Opposer’s mark for use o identical products. Respondent-Applicant’s bad faith precludes the ripening of a right in her favor and precludes the grant of registration of the MONTRAIL AND DEVICE mark.

9. “In addition to the ground in paragraph 2, the component MONTRAIL in Respondent-Applicant’s mark forms part of the trade name of the Opposer, which Respondent-Applicant may not copy. Under Section 165.2 of Republic Act No. 8293, it is provided that:

165.2 (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, any such use of a similar trade name or mark, likely to mislead that public, shall be deemed unlawful.

The component MONTRAIL in Respondent-Applicant’s mark also forms part of the domain name of the Opposer, [www.montrail.com](http://www.montrail.com), which Respondent-Applicant may likewise not copy.

10. “As over and prior user since 1997, the Opposer has exclusive, vested and superior rights over the MONTRAIL mark. Respondent-Applicant’s registration of the mark

MONTRAIL AND DEVICE is barred by Section 4 (d) of Republic Act No. 166 as a mark that so resembles a mark previously appropriated and not abandoned as to be likely to cause confusion, deception or mistake upon the public when applied to or used on identical goods. Section 4(d) of Republic Act No. 166 provides:

“SECTION 4. Registration of trademark, trade-names and service marks on the Principal Register. There is hereby established a register of trademarks, trade-names and service marks which shall be known as the principal register. The owner, of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business and services of others shall have the right to register the same on the Principal Register unless it:

(d) Consist of or comprises a mark or trade-name which so resembles a mark or trade-name 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 to deceive purchasers”

The Opposer’s superior right over the MONTRAIL mark is preserved under Section 236 of Republic Act 8293 which provides:

“Nothing herein shall adversely affect the rights on the enforcement of rights in patents, utility models, industrial designs, marks and works, acquired in good faith prior to the effective date of this Act.”

11. “The Opposer has also extensively promoted the MONTRAIL mark worldwide. Over the years, the Opposer has obtained significant exposure for the goods upon which the MONTRAIL mark is used on various media, including television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events.

12. “The Opposer is entitled to protection under the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”) which recognizes that trademark rights are available on the basis of actual use. The TRIPS Agreement provides:

Article 16(1)s

The owner of a registered trademark 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 for goods or services which are identical or similar to those in respect of which the trademark is registered where such 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. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

13. “The United States of America, where the Opposer is domiciled, and the Philippines are signatories to the TRIPS Agreement.

14. “The Opposer has not consented to the Respondent-Applicant’s use and registration of the MONTRAIL mark, or any other mark identical or similar to the Opposer’s MONTRAIL mark.

15. “The use by the Respondent-Applicant of the mark subject of this opposition in connection with footwear and related goods will mislead the purchasing public into believing that

Respondent-Applicant's goods are produced by, originate from, or are under the sponsorship of the Opposer. Potential damage to the Opposer will also be caused as a result of its inability to control the quality of the products offered or put on the market by Respondent-Applicant under the MONTRAIL AND DEVICE mark.

16. "The use by the Respondent-Applicant of the mark subject of this Opposition in relation to its goods, whether or not identical, similar or closely related to the Opposer's goods will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's MONTRAIL mark.

17. "The denial of the application subject of this opposition is authorized under other provisions of Republic Act No. 8293.

The Notice to Answer dated 18 December 2007 directed Respondent-Applicant to file its Verified Answer. For failure of Respondent to file the required Answer within the 30-day period, this Bureau issued Order No. 2008-1376 declaring Respondent-Applicant to have waived her right to file the Verified Answer and resolved to submit the case for decision.

*Filed as evidence for the Opposer, based on the records, are the following:*

1. *Original legalized Verified Notice of Opposition* - *Exhibit "A"*
2. *Original legalized Affidavit of Barbara T. Cason* - *Exhibit "B"*
3. *Original legalized Certificate on the authority of Barbara T. Cason to verify the Notice of Opposition* - *Exhibit "C"*
4. *Original certified true copy of Australia Trademark Registration* - *Exhibit "D"*
5. *Original certified true copy of Canada Trademark Registration* - *Exhibit "E"*
6. *Original certified true copy of Community Trademark Registration* - *Exhibit "F"*
7. *Original certified true copy of Spain No. 000572222* - *Exhibit "G"*
8. *Original certified true copy of Korea Trademark Registration and its English translation* - *Exhibits "H" and "H-1"*
9. *Original certified true copy of Mexico Trademark Registration and its English translation* - *Exhibits "I" and "I-1"*
10. *Original certified true copy of Mexico Trademark Registration and its English translation* - *Exhibits "J" and "J-1"*
11. *Original certified true copy of United States of America Trademark Registration No. 3,202,893* - *Exhibit "K"*
12. *Original certified true copy of United States of America Trademark Registration No. 3,241,168* - *Exhibit "L"*
13. *Original certified true copy of United States of America Trademark Registration No. 2,175,753* - *Exhibit "M"*
14. *Original certified true copy of United States of America Trademark Registration No. 2,182,997* - *Exhibit "N"*
15. *Original certified true copy of Trademark*

- Registration No. 897885 issued by World Intellectual Property Organization* - *Exhibit "O"*
16. *Original certified true copy of Trademark Registration No. 902898 issued by World Intellectual Property Organization* - *Exhibit "P"*
17. *Original certified true copy of Taiwan (ROC) Trademark Registration No. 00807865*

The issue for this Bureau's resolution is the propriety of Application Serial No. 4-2006-002018; whether or not Respondent-Applicant's trademark application for MONTRAIL AND DEVICE for use on the following:

09	<i>Safety Shoes</i>
25	<i>Clothing, namely, t-shirts, sandos, muscle sleeve, polo, long sleeve, short sleeve; footwear, namely sandals, slippers, shoes, formal shoes, casual shoes, boots, sports shoes</i>

should be granted registration.

Although this Bureau adheres to the First-to-File Rule by applying specific provisions of R.A. 8293 (Sec. 122 and Sec. 127), and that the records will show that as between the parties, only Respondent-Applicant has trademark application for MONTRAIL AND DEVICE bearing Application Serial No. 4-2006-002018 which was filed on 22 February 2006, nevertheless, it will show that Respondent-Applicant adopted an identical, not just substantially similar trademark MONTRAIL AND DEVICE, as applied to similar goods falling under Classes 09 and 25. Below is a side-by-side comparison between Opposer's registered trademark "MONTRAIL & Design" and Respondent-Applicant's mark "MONTRAIL AND DEVICE".



Opposer's MONTRAIL & Design



Respondent's MONTRAIL AND DEVICE

It can easily be observed from the foregoing that Respondent-Applicant adopted not only the printing style of Opposer's word mark MONTRAIL, including the distinct script applied in printing the word in lower case letters, written in a slant manner or markedly inclined to the right. Likewise, the DEVICE described by Respondent-Applicant to be "of two (2) intersecting mountains with two (2) swoosh device above the said word with the mountain at the left side darker than the one at the right", was copied as well. Hence, comparing both marks in plain view there certainly is obvious, if not perfect similarity. Anyone is likely to be misled by the adoption of the same MONTRAIL AND DEVICE, which is known and identified to be Opposer's labels for footwear and other goods under Class 25.

Moreover, the combination of the word MONTRAIL and DEVICE of two (2) intersecting mountains with the swoosh device is a very distinctive mark and is not one that would naturally occur to Respondent-Applicant or any other trader for that matter to use and/or conceptualize.

The court observed in the case of Philippine Refining Co, Inc., vs. Dir. Of Patents and Sparklets Corp. vs. Walter Kiddie Sales Co., 104 F. 2d 396, that "a trademark is designed to identify the user. But it should be so distinctive and sufficiently original as to enable those who come into contact with it to recognize instantly the identity of the user. It must be affirmative and definite, significant and distinctive, capable to indicate the origin. "Likewise, our trademark law does not require identity, confusion is likely if the resemblance is so close between two

trademarks. Bolstering this observation is the pronouncement by the court in the case of Forbes, Munn & Co. (Ltd.) vs. Ang San To, 40 Phil. 272, 275 where it stated that *the test was similarity or “resemblance between the two (trademarks) such as would be likely to cause the one mark to be mistaken for the other. . . . [But] this is not such similitude as amounts to identity.”* On the contrary, as happened in this case, there was no similitude but an exact replica of MONTRAIL & Design that was applied.

Having shown and proven resemblance of the two marks at issue, we now delve on the matter of priority in use which certainly has decisive effect in the adjudication of the case. As shown by the records, Opposer is the registered owner of MONTRAIL & Design in many countries worldwide, as follows:

Trademark	Registration Number	Nice Classification	Country
<i>MONTRAIL &amp; Design</i>	745036	25	Australia
<i>MONTRAIL &amp; Design</i>	TMA504313	25	Canada
<i>MONTRAIL &amp; Design</i>	1236783	25	China
<i>MONTRAIL &amp; Design</i>	253399	25	Colombia
<i>MONTRAIL &amp; Design</i>	4450669	25	Japan
<i>MONTRAIL &amp; Design</i>	962002	25	Mexico
<i>MONTRAIL &amp; Design</i>	4019970044451	25	<i>Republic of Korea</i>
<i>MONTRAIL &amp; Design</i>	9092898	25	Singapore
<i>MONTRAIL &amp; Design</i>	179530	25	Registered

Opposer has also applied for the registration of the trademark MONTRAIL & Design for various goods including those in Class 09, in countries such as China with Application No. 5600148.

From the evidence presented, it will show that the mark MONTRAIL & Design covers goods under different Classes but primarily for footwear under Class 25 since 1997, as well as on goods belonging to Class 09. Opposer was able to obtain registration in Australia in September 1997 (*Exhibit “D”, Opposer*) with first use in commerce reported in the same year, more specifically, on 21 April 1997. As held in the case of Unno Commercial Enterprises, Inc. vs. General Milling Corporation “*prior use by one will controvert a claim of legal appropriation by subsequent users*”. Hence, it may be concluded inevitably that Respondent-Applicant’s use of identical mark on the same or related goods will result in an unlawful appropriation of mark previously used by Opposer and not abandoned.

This present Opposition is anchored on Opposer’s claim of ownership over the use of the trademark MONTRAIL & Design for footwear and clothing apparels falling under Class 25 including those goods covered by Class 09, pursuant to Section 123.1 (d) of R.A. 8293, to wit:

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

xxx

- (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;”*

xxx

It may well be worthy to note that as early as the year 1997, Opposer obtained registrations in many countries of the MONTRAIL & Design trademark primarily on goods covered under Class 25. These registrations are subsisting and have not been abandoned. Hence, Respondent-Applicant, by any parity of reasoning, cannot be considered an originator, prior registrant nor a prior applicant of the subject trademark.

By appropriating a word which is identical or closely resembles that of Opposer, this Bureau hold that indeed there was a deliberate intent by Respondent-Applicant to ride on the popularity of the mark of the Opposer.

In the case of American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544, it was observed that:

*“Why of the million of terms and combination of letters and designs available the appellee had to choose a mark so closely similar to another’s trademark if there was no intent to take advantage of the goodwill generated by the other mark”*

As the rightful owner of the trademark MONTRAIL & Design, Opposer should be given protection against entities that merely wish to take advantage of the goodwill its marks have generated.

Moreover, this Bureau cannot take for granted the inaction of Respondent-Applicant in defending its claim over the trademark “MONTRAIL AND DEVICE”. Such inaction of Respondent-Applicant is evidenced by her failure to file her Answer despite receipt of the Notice to Answer the Notice of Opposition, contrary to the disputable presumption that “a person takes ordinary care of his concern”, enunciated in Section 3(d) of rule 131 of the Rules of Court.

It was the Respondent-Applicant’s option not to defend its case, contrary to the declared policy of the Supreme Court to the effect that “it is precisely the intention of the law to protect only the vigilant, not those guilty of laches.”

Finally, as provided for under Sec. 230 of R.A. 8293, otherwise known as the Intellectual Property Code of the Philippines:

*“Sec. 230. Equitable Principles to Govern Proceedings. – In all inter partes proceedings in the Office under this Act, the equitable principles of laches, estoppel and acquiescence where applicable, may be considered and applied.”*

As defined in the dictionary, laches means “slackness or carelessness toward duty or opportunity or neglect to do a thing at the proper time”.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-2006-00218 filed by Jacqueline Chu on 22 February 2006 for the registration of the mark MONTRAIL AND DEVICE for use on the following:

09	Safety Shoes
25	Clothing, namely, t-shirts, sandos, muscle sleeve, polo, long sleeve, short sleeve; footwear, namely sandals, slippers, shoes, formal shoes, casual shoes, boots, sports shoes

Let the filewrapper of MONTRAIL AND DEVICE, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.



SO ORDERED.

Makati City, 29 January 2009

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