



OFFICE OF THE DIRECTOR GENERAL

AMERICAN APPAREL, INC.,
Appellant,

-versus-

DIRECTOR OF THE BUREAU
TRADEMARKS,

Appellee.

X-----X

Appeal No. 04-2010-0002

Application No. 4-2005-005933

Date Filed: 27 June 2005

Trademark: American Apparel

DECISION

AMERICAN APPAREL, INC., ("Appellant") appeals the Decision, dated 16 November 2009, of the Director of the Bureau of Trademarks ("Director") sustaining the final rejection of the Appellant's application to register the mark "American Apparel" for clothing for men, women, children and pets and for retail store services and online retail store services.

Records show that the Appellant filed on 27 June 2005 the trademark application. The Examiner-in-Charge ("Examiner") issued an official action¹ stating, among other things, that the Appellant's mark consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods. The Appellant submitted a letter dated 05 June 2006 claiming that its mark is fanciful and arbitrary and which has no dictionary meaning that can be associated with the goods covered by the mark, most especially when used in connection with clothing for men, women, children and pets, retail store services and online retail store services. The Appellant further claims that when considered as a whole, its mark is acceptable for registration, it being suggestive or, possessing a skillful allusion to the goods claimed, and that the combination "AMERICAN APPAREL" contains an inventive allusion which should enable the mark to be eligible for registration.

The Examiner issued another official action² reiterating her findings that the Appellant's mark may not be registered as it is geographically descriptive and consists exclusively of signs that indicates the quality, value and other characteristics of the goods. The Appellant filed on 10 April 2007 a response contending that:

The individual terms "AMERICAN" and "APPAREL" may be an ordinary or common word but once adopted and used as a collective term, it serves no other function than to direct the mind of the public to the author or

¹ Paper No. 2, mailed on 17 April 2006.

² Paper No. 05, mailed on 06 December 2006.

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owner of the goods. The combination of the two words does not create a new meaning that can automatically & necessarily be associated with the goods covered by this application. Admittedly, each word has a definite or dictionary meaning, but when they are combined together the descriptive significance of each of the component words in relation to the goods is lost. In this context, the wording "AMERICAN APPAREL" is merely a term with no real trademark significance. The combination "AMERICAN APPAREL" contains an inventive allusion that meets the threshold of distinctiveness for registration. Hence, the collective term "AMERICAN APPAREL," when considered as a whole, is acceptable for registration in the Philippines.

The Appellant maintained that it has secured registrations of its mark in other countries which negates arguments against the distinctiveness of its mark.

Subsequently, the Examiner issued a "FINAL REJECTION"³ of the Appellant's trademark application. The Appellant appealed to the Director who denied the appeal and sustained the final rejection of the trademark application.

On 26 March 2010, the Appellant filed an "APPEAL MEMORANDUM" reiterating its arguments that American Apparel is not geographically descriptive and does not consist exclusively of signs that indicate the quality, value and other characteristics of the goods. The Appellant claims that it has registered this mark in the United States of America ("USA"), the World Intellectual Property Organization (Madrid Agreement and Protocol), Office for Harmonization in the Internal Market (OHIM) and Taiwan. According to the Appellant, these registrations should be given weight considering that these offices are considered as pioneers and experts of trademark law. The Appellant maintains that under Article 6 *quinquies* of the Paris Convention for the Protection of Industrial Property ("Paris Convention"), to which the Philippines is a member-signatory, this Office is mandated to accept and protect trademarks duly registered in the country of origin. The Appellant asserts that the country of origin of American Apparel is the USA and this mark is registered in the United States Patent and Trademark Office ("USPTO"). The Appellant further claims that American Apparel is a well-established or an internationally well-known mark.

The Director filed on 12 May 2010 her "COMMENT" contending that the word "American" would mean anything that is pertaining to the USA, which on its own would be unregistrable for being geographically descriptive. She also argues that the term "Apparel", which means clothing or attire, is an unregistrable generic term for the goods for which the mark is to be used. The Director maintains that a combination of the terms "American" and "Apparel" does not render the mark registrable while the generic nature and descriptiveness of the mark is not removed and, in fact, is even made more apparent. The Director claims that "American Apparel" translates to "American clothing" indubitably qualifies the mark as inherently and geographically descriptive mark. The Director maintains that the foreign registrations of this mark do not automatically entitle it to registration in this jurisdiction as each application is examined and decided on its own merits. According to the Director, the marks subject of foreign registrations cited by the Appellant, aside from being visually different have appropriate disclaimers of the

³ Paper No. 09, mailed on 24 May 2007.

word AMERICAN. The Director states that she is not a competent authority to make the determination that American Apparel is a well-known mark.

The issue in this appeal is whether the Director was correct in sustaining the final rejection of the Appellant's application to register American Apparel.

In this regard, Sec. 123.1 (j) of the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it:

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time, or production of the goods or rendering of the services, or other characteristics of the goods or services;

Accordingly, descriptive marks or those signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose or geographical origin or other characteristics of the goods cannot be registered.

The reason for this is that inasmuch as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate language or words for that purpose, and no person can appropriate exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all. As to whether words employed are within this prohibition, it is said that the true test is not whether they are exhaustively descriptive of the article designated, but whether in themselves, and as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of the thing intended. If they are thus descriptive, and not arbitrary, they cannot be appropriated from general use and become the exclusive property of anyone.⁴ It cannot be registered for to do so would exclude others who are also engage in producing similar products and using the same words in their similar trade or services. Descriptive terms, which may be used to describe the product adequately, cannot be monopolized by a single user and are available to all.⁵

In the case at hand, American Apparel falls under the category of a descriptive mark. The term "American" relates to the USA and cannot be exclusively appropriated or registered as a mark. On the other hand, the word "Apparel" is synonymous to clothing or dress.⁶ They are, therefore, descriptive and cannot be registered. The Appellant's contention that the combination of these unregistrable term and word makes them registrable is not meritorious. As correctly observed by the Director:

American Apparel for clothing that is made in America would, undoubtedly, be very specific as to what is being sold and where it is made, hence, geographically descriptive. The degree of specificity of how the goods

⁴ See *Ong Ai Gui Alias Tan Ai Gui vs. Director of the Philippines Patent Office*, G. R. No. L-6235, 28 March 1955 citing 52 Am. Jur. 542-543.

⁵ See *Vicente B. Amador*, Trademarks Under The Intellectual Property Code, 1999, page 22.

⁶ Websters' Universal English Dictionary, 2006 published by Geddes & Grosset.

are described by the mark betrays the position that the mark was arbitrarily chosen or a mere product of imagination. It is descriptive because the mark points out immediately what the product is and where it is made.⁷

In addition, there is no merit to the Appellant's claim that its mark should be registered by this Office because the Appellant had secured the registration of this mark in other trademark offices in the world, including the USA, and that under Article 6 *quinquies* of the Paris Convention this Office is mandated to register the Appellant's mark.

As the Appellant admitted, trademark laws are jurisdictional.⁸ In other words, each country can promulgate its own trademark laws and the conditions for registration of marks are left for each country to determine. Sec. 123.1 (j) of the IP Code expressly bars the registration of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time, or production of the goods or rendering of the services, or other characteristics of the goods or services. Thus, the alleged foreign registration of American Apparel has no bearing to the registration of this mark in the Philippines.

Furthermore, and contrary to the claim of the Appellant, Article 6 *quinquies* of the Paris Convention recognizes the rights of the Contracting States⁹ to the Paris Convention to deny the registration of marks which are devoid of any distinctive character, or which are descriptive. Article 6 *quinquies* states in part that:

Article 6 *quinquies*

[Marks: Protection of Marks Registered in One Country of the Union in the Other Countries of the Union]

x x x

B. – Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

x x x

2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;

Moreover, an examination of the Appellant's registered mark in the USA shows that "Apparel" was disclaimed by the Appellant as shown in the certificates of registration issued by the USPTO.¹⁰ There is nothing in the Appellant's trademark

⁷ Decision, dated 16 November 2009, pp. 5-6.

⁸ See APPEAL MEMORANDUM, dated 25 March 2010, page 6.

⁹ Entered into force in the Philippines on 27 September 1965.

¹⁰The certificates of registration issued by the United States Patent and Trademark Office for AMERICAN APPAREL in favor of the Appellant contain a statement that: "NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE APPAREL, APART FROM THE MARK AS SHOWN."

application in this Office which shows a similar disclaimer. Thus, the trademark application filed in this Office by the Appellant is not the same application filed by the Appellant in the USA. Consequently, the mark registered in the USA, which the Appellant claims to be the country of origin, is not the same mark sought to be registered by the Appellant in this Office.

Lastly, the Director was correct in pointing out that the Examiner is not the competent authority to determine whether a mark is well-known. Rule 100 (c) of the Trademark Regulations provides that:

Rule 100. Definitions. - x x x

x x x

(c) "Competent authority" for purposes of determining whether a mark is well-known, means the Court, the Director General, the Director of the Bureau of Legal Affairs, or any administrative agency or office vested with quasi-judicial or judicial jurisdiction to hear and adjudicate any action to enforce the rights to a mark;


Nonetheless, granting *en arguendo* that the Appellant's mark is well-known, it does not mean that the Appellant's mark should automatically be registered. The Appellant still has to comply with the formality and substantive requirements for registering a mark under the provisions of the IP Code.

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Trademark Application No. 4-2005-005933 for American Apparel for clothing for men, women, children and pets and for retail store services and online retail store services is hereby rejected.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Trademarks. Let a copy of this Decision be furnished also the library of the Documentation, Information and Technology Transfer Bureau for its information and records purposes.

SO ORDERED.

SEP 25 2012 Taguig City.


RICARDO R. BLANCAFLOR
Director General