



BILLABONG INTERNATIONAL
LIMITED AND PINEAPPLE
TRADEMARKS PTY LIMITED,
Opposers,

-versus-

MARC CHESTER B. DAVID,
Respondent-Applicant.

X-----X

} IPC No. 14-2009-00085
} Opposition to:
} Appln. Serial No. 4-2008-006247
} Date Filed: 28 May 2008
} TM: "KustomKulture
} Within a Rectangular Device"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 - 92 dated May 14, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 14, 2012.

For the Director:

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Atty. MARLITA VALLESTERO - DAGSA
Hearing Officer, BLA

CERTIFIED TRUE COPY
Sharon S. Alcantara
SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs, IPO



**BILLABONG INTERNATIONAL
LIMITED AND PINEAPPLE
TRADEMARKS PTY LIMITED,**

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- versus -

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Opposition to:

Appln. Ser. No. 4-2008-006247

Date Filed: 28 May 2008

Trademark: **KustomKulture**

Within A Rectangular Device

Decision No. 2012 - 92

DECISION

BILLABONG INTERNATIONAL LIMITED¹ and PINEAPPLE TRADEMARKS PTY LTD.² ("Opposers") filed on 23 March 2009 a Notice of Opposition to Trademark Application No. 4-2008-006247. The application, filed by MARC CHESTER B. DAVID³ ("Respondent-Applicant"), covers the mark KUSTOMKULTURE WITHIN A RECTANGULAR DEVICE used for goods under Class 25⁴, particularly, *"clothing namely t-shirts, polo shirts, blouses, dresses, tanks, camisoles, polo, walking shorts, skirts, jeans, jackets, slacks, vest, blazer; underwear namely briefs, bras, panties, tank tops/sandos, socks, brassiers, corsets, body briefs, slips, bra-slips, half slips, negligees, stocking, garters, corselets, girdles, hip shaping, garments for clothing purposes, roll-on girdles, lingerie, chemise and panty hose; nightwear namely pajamas, bathrobes and night gowns; headwear namely bonnets, visors, headbands and caps; sportswear namely jogging pants, training, shorts, gym shorts, running shorts, board shorts, leggings, tights, aerobics suits and windbreaker; swimwear namely swimming trunks, swim suits; accessories namely belt, bandanas, gloves and wrist bands; footwear namely rubber shoes, hiking shoes, leather shoes, sandals, slippers and boots"*.

The Opposers allege, among other things, the following:

"3. Because it incorporates, as its dominant element, Opponents' mark KUSTOM, Applicant's KUSTOMKULTURE trademark appears so similar or identical to Opponents' said trademark KUSTOM as to be likely, when applied to or used in connection with the Applicant's identical clothing products, to cause confusion, mistake and deception on the part of the

- 1 A corporation duly organized and existing under the laws of Australia, with principal place of business at 1 Billabong Place, Burleigh Heads, Queensland, 4220 Australia.
- 2 A subsidiary of Billabong International Limited with principal place of business at 1 Billabong Place, Burleigh Heads, Queensland, 4220 Australia.
- 3 With address on record at 17 Kataasan Street, Karangalan Village, Pasig City.
- 4 Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

purchasing public by misleading them into thinking and believing that Applicant's products either come from Opponents or are endorsed, sponsored, franchised or licensed by them.

"4. The registration and use by Applicant of the trademark KUSTOMKULTURE will thus diminish the distinctiveness and dilute the goodwill of Opponents' KUSTOM trademark, which is an arbitrary trademark when applied on Opponents' products.

"5. Applicant adopted the trademark KUSTOMKULTURE for use on goods identical to those of Opponents' with the obvious intention of capitalizing on the worldwide goodwill of the Opponents' trademark and misleading the public into believing that his identical products are franchised, licensed or sponsored by Opponents, which have been identified in the trade and by consumers in the Philippines and around the world as the source of quality, reliable and fashionable goods, including footwear, clothing and headwear articles, among other goods, bearing the KUSTOM brand trademarks.

"6. The approval for publication of Applicant's trademark KUSTOMKULTURE is based on the representation that he is the originator, true owner and first user of the mark. However, in truth, said device was merely copied/derived from Opponents' trademark KUSTOM.

"7. Opponents are the first users of the word and mark KUSTOM in commerce. They have used and promoted it in countries around the world, including the Philippines, in respect of their products extensively. Opponent Pineapple Trademarks Pty Ltd. is the prior registrant of the KUSTOM mark in the Philippines, having obtained its registration under Reg. No. 4-2005-004109 in Classes 18, 25 and 28.

"8. Opponents KUSTOM trademarks are well-known marks. Applicant's appropriation and use of KUSTOM as the dominant element of its trademark infringes upon Opponents' exclusive right to use the distinct KUSTOM trademark, which is a well-known trademark protected under Section 37 of the old Trademark Law, Sections 123.1 of the Intellectual Property Code ("IP Code"), Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and Australia adhere.

"To support this opposition, Opponents will prove and rely upon, among other facts, the following:

"1. Opponents are the prior users of the unique KUSTOM trademark, having originated from its predecessors and used exclusively on its products internationally and registered it in Philippines long before Applicant's unauthorized appropriation of the similar or identical mark KUSTOMKULTURE. Opponents have been commercially using the KUSTOM trademark, through their presence, substantial sales, advertising and promotion of services and products identified by the mark, for more than nine years, long before the appropriation and the filing of the application for the registration of the Applicant's mark

KUSTOMKULTURE.

"2. Opponents are the prior registrants of the KUSTOM trademark around the world, including the Philippines. Opponents have registered or applied for the registration of its trademark in respect of a wide range of goods in Classes 18, 25 and 28, among others, in more than fifty countries around the world, including but not limited to Argentina, Australia, Bahrain, Benelux, Brazil, Canada, Chile, China, European Community, India, Indonesia, Iran, Israel, Japan, Jordan, Kuwait, Lebanon, Malaysia, New Zealand, Oman, Paraguay, Peru, Philippines, Qatar, Republic of Korea, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, United Arab Emirates, United States of America, Uruguay, Venezuela, Vietnam, which include applications and registrations covering the very same products covered by Applicant's mark.

"3. Opponents' trademark KUSTOM is an arbitrary trademark and is entitled to broad legal protection against unauthorized users like Applicant who has appropriated a closely similar mark for his goods.

"4. Applicant has appropriated the closely similar KUSTOMKULTURE (Stylized) trademark for the obvious purpose of capitalizing upon the renown of Opponents' self-promoting trademark by misleading the public into believing that its identical services and goods originate from, or are franchised, licensed or sponsored by Opponents and will damage Opponents' interests for the following reasons:

- i. The trademarks are substantially identical or closely similar.
- ii. Applicant's unauthorized appropriation and use of KUSTOMKULTURE will dilute Opponents' goodwill and reputation among consumers.
- iii. Applicant intends to use the KUSTOMKULTURE mark for its goods as a self-promoting trademark to gain public acceptability through its association with Opponents' popular KUSTOM brand trademarks, which are used on identical and similar products.
- iv. Applicant's use of KUSTOMKULTURE for his goods indubitably establishes a connection with the Opponents because these goods are the very same goods covered and identified by Opponents' KUSTOM trademarks.
- v. Applicant intends to trade, and it trading on, Opponents' goodwill.

"6. The registration and use of an identical or closely similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opponents' KUSTOM trademarks."

The Opposers submitted in evidence the notarized and legalized notice of opposition, the notarized and legalized Affidavit of Lesley Skipp with supporting documents and the notarized and legalized Special Power of Attorney.

The Respondent-Applicant filed his Verified Answer on 01 September 2009 specifically denying the material allegations in the notice of opposition and likewise sets forth the following special and affirmative defenses:

"23. Respondent-Applicant is the true and rightful owner of the mark KUSTOM KULTURE WITHIN A RECTANGULAR DEVICE for class 25 goods having first adopted, used, popularized and registered the same earlier than that of the Opposer.

"24. Respondent-Applicant coined the mark KUSTOMKULTURE by combining two distinct words "CUSTOM" and "CULTURE" to identify his clothing line concept which depicts Philippine Customs and Culture in the 1950's, 1960's and 1970's that have shaped the lives of Filipinos.

"24.1 To be identified as a brand of Philippine origin, Respondent-Applicant replaced the letter "C" with its equivalent in the Filipino "*abakada*", the letter "K" to give the trademark a local flair and thus coining the mark KUSTOMKULTURE.

"25. Respondent-Applicant first conceptualized the mark KUSTOMKULTURE for class 25 as early as 2007 and on May 28, 2008, Respondent-Applicant filed its trademark application for the registration of the mark KUSTOM KULTURE WITHIN A RECTANGULAR DEVICE. (Exhibits "1" to "1-D")

"25.1 As early as May 15, 2008, Respondent-Applicant has started selling goods under class 25 (Exhibit "2") bearing the mark in the Mindanao area (Exhibits "3" to "3-C") and have continuously used the mark commercially since then (Exhibits "4" to "4-C").

"26. In deciding likelihood of confusion, it is not realistic to compare the two marks naked and divorced from surrounding trade dress since this is not the way buyers view the goods in the market. Trademarks cannot be isolated from the labels on which they appear. A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be done from the viewpoint of the prospective buyer. Some factors such as sound; appearance; form, style, shape, size or format; color; ideas connoted by the marks; the meaning, spelling and pronunciation of words used; and the setting in which the words appear may be considered.

"27. A comparison of Opposers' and Respondent-Applicant's trademarks as they will appear on their respective products (Exhibit "2-a"), and as these products are to be marketed, shows no confusing similarity, as they

convey and leave totally different commercial impressions upon the buying public. One look is enough to denude the mind of that illuminating similarity so essential for a claim of likelihood of confusion to prosper.

"28. Confusing similarity occurs when a mark is identical or is a colorable imitation of another. The phrase 'colorable imitation' denotes such a close or ingenious imitation as to be calculated 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. A comparison of Opposers' and Respondent-Applicant's trademarks shows that these marks are not identical nor does Respondent-Applicant's trademark colorably imitate Opposers' trademarks.

x x x

"29. The Opposers are on a mistaken belief that KUSTOM is the dominant element of Respondent-Applicant KUSTOMKULTURE and the use of 'kustom' would result to confusion. Respondent's trademark application is for the entire mark KUSTOMKULTURE WITHIN A RECTANGULAR DEVICE and not for KUSTOM alone. Trademark registration which consists of several elements must be treated as a single unit and not as separate units.

"30. The use of 'kustom' would only warrant protection against its usurpation by another, if there is evidence to show that 'kustom' has become a distinctive mark of the other's products.

"31. The single registration of the trademark KUSTOM by the Opposer does not automatically confer on the Opposer the right to prevent the use of 'kustom' as a fraction of a mark, unless it is proven by clear and convincing evidence that 'kustom' is the dominant feature of Respondent-Applicant's mark and the use thereof creates a likelihood of confusion.

"31.1 The dominant feature of a mark is the feature that prevails or is retained in the minds of the public;

"31.2 Likewise, the purchasing public must have come to know and designate Respondent-Applicant's goods by such dominating word 'kustom'.

"32. The word 'kustom' is not used to designate Respondent's product. The invoices submitted by the Respondent's (Exhibits '4' to '4-C') prove that Respondent's product is designated or known by the whole trademark KUSTOMKULTURE and not as KUSTOM as claimed by the Opposer. Hence, the term KUSTOM is not the dominant feature of Respondent-Applicant's trademark.

"33. Applying the prevailing doctrines and jurisprudence to the present controversy and taking into account the factual circumstances of this case, the trademarks involved taken as a whole would lead to the inevitable conclusion that Respondent-Applicant's KUSTOMKULTURE

mark is not confusingly similar to Opposers' KUSTOM mark.

"34. Considering that the goods involved are garments and footwears only strengthens the conclusion that the contending marks are not confusingly similar. Given the factual milieu of this case, the principles enunciated by the Supreme Court in Emerald Garments Manufacturing Corp. v. CA (G. R. No. 100098, 29 December 1995), is apt, to wit:

x x x"

Should the Respondent-Applicant's trademark application be allowed?

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁵ Thus, Sec. 123.1(d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with earlier filing or priority date, in respect of the same goods or services or closely related goods or services or it nearly resembles such, mark as to be likely to deceive or cause confusion.

The records and evidence show that at the time the Respondent-Applicant filed its application on 28 May 2008, the Opposer already has an existing registration for the mark KUSTOM (Reg. No. 4-2005-004109) issued on 03 September 2006 and valid for ten (10) years or until 03 September 2016. The registration covers goods under Classes 18, 25⁶ and 28, which are similar or closely related to the goods indicated in the Respondent-Applicant's application. The goods covered by the competing marks belong to the same class of goods (Class 25), serve the same purpose being both clothing and footwear articles, and flow through the same channels of trade.

But do the competing marks, as shown below, resemble each other such that confusion, mistake or deception is likely to occur?

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999.

⁶ Clothing, footwear, headgear, namely, shirts, t-shirts, singlets, blouses and tops, sweaters, jackets, pullovers, coats, dresses, skirts, sarongs, trousers, pants, jeans, shorts, board shorts, surfwear, swimwear, sportswear, underwear, sleepwear, belts, scarves, gloves, hosiery, socks, shoes, boots, sandals, slides, thongs and slippers, hats, caps, beanies, peaks and visors; wetsuits, wetsuit vests, boots, gloves and hoods, wetsuit shorts and tops.

KUSTOM

Opposer's Mark

KustomKulture

Respondent-Applicant's Mark

The main feature, in fact the sole feature, in the Opposer's mark, which draws the eyes and the ears is the word KUSTOM. The word KUSTOM is the "product and source identifier". Corollarily, trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the trademark or conveys information thereon, the mark is referred to verbally as KUSTOM.

In this regard, the Respondent-Applicant appropriated the word KUSTOM, paired it with the word "kulture", and came out with the mark KUSTOMKULTURE. But because the Respondent-Applicant will use or uses the mark on goods or products that are similar and closely related to those covered by the Opposer's registered trademark, the addition of the word KULTURE, however, does not diminish the likelihood of the occurrence of mistake, confusion, or even deception. The mark KUSTOM appears to have been derived from the word "custom". With an additional creative flair as to the spelling and font style, the mark has become highly distinctive. The stylized spelling has an impact on the senses and leaves impression upon the minds of the consumers.

Confusion therefore cannot be avoided by merely adding, removing or changing some letters of a registered mark. 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 purchaser as to cause him to purchase the one supposing it to be the other⁷. The conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term⁸. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:⁹

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

⁷ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 April 2001, 356 SCRA 207, 217

⁸ Ref.: *Continental Connector Corp. v. Continental Specialties Corp.*, 207 USPQ 60.

⁹ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

The chances of associating one mark with the other is enhanced by the fact that the words "custom" and "culture" from which the stylized words "KUSTOM" and "KULTURE" are derived, are related as to meaning, connotation and usage. Moreover, this Bureau, taking judicial notice of the contents and information in the Trademark Registry, noticed that the use of the word "culture" in composite word for use on goods under Class 25 marks is common, to wit:

- a. Reg. No. 4-2009-002850, for the mark C/X CULTURE EXCHANGE WITHIN A QUADRILATERAL, issued on 01 October 2010;
- b. Reg. No. 4-2002-002077, for the mark COUNTER CULTURE, issued on 22 January 2007;
- c. Application No. 4-2011-013858, for the mark TEE CULTURE;
- d. Reg. No. 4-2009-012061, for the mark EC EUROPEAN CULTURE (FIGURATIVE), issued on 27 May 2010; and
- e. Reg. No. 4-2000-004717, for the mark CULTURE CLUB, issued on 17 January 2005.

As such, when one who had bought a product bearing the Opposer's mark before suddenly encounters a product under the mark KUSTOMKULTURE, it is likely that the consumer may commit mistake or assume that it is also of the Opposer's or just a variation thereof. Such mistake or assumption is also likely when a consumer chances upon products bearing the mark KUSTOMKULTURE side by side or near the products under the mark KUSTOM. Consumers may presume that there is a connection between the marks or the products or between the Respondent-Applicant's products and the Opposer and vice-versa, or between the parties, when in fact there is none.

It is inconceivable for the Respondent-Applicant to have come up with the mark KUSTOMKULTURE without having been inspired by or motivated by an intention to imitate the mark KUSTOM. It is highly improbable for another person to come up with an identical or nearly identical mark, which is unique and highly distinctive, for use on the same or related goods purely by coincidence. The field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the answered riddle is why, of the millions of terms and combination of letters and available, the Respondent-Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark¹⁰.

To conclude, the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code, and therefore, should not be allowed. With this finding, this Bureau deems that there is no need to dwell on the issue of whether or not the Opposer's mark is a well-known mark.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application No. 4-2008-006247

¹⁰ See *American Wire and Cable Co. v. Director of Patents et. al* (SCRA 544), G.R. No. L-26557, 18 Feb. 1970.

be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 14 May 2012.



Atty. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs

