



REVISE CLOTHING, INC.,
Opposer,

-versus-

EVANGELINE TY,
Respondent-Applicant.

X-----X

} IPC No. 14-2011-000261
}
} Opposition to:
} Appln. Serial No. 4-2010-009767
} Date filed: 07 September 2010
} TM: "VANILLA STAR & DEVICE"
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}

NOTICE OF DECISION

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EVANGELINE TY

Respondent-Applicant
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GREETINGS:

Please be informed that Decision No. 2013 - 195 dated October 08, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 08, 2013.

For the Director:

Edwin Q. Daring
Atty. EDWIN DANILO A. DARING
Director III
Bureau of Legal Affairs



REVISE CLOTHING, INC.,
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IPC No. 14-2011-000261

Opposition to:

Appln. Serial No. 4-2010-009767

Date Filed : 07 September 2010

Trademark: "VANILLA STAR & DEVICE"

Decision No. 2013 - 195

DECISION

REVISE CLOTHING, INC. ("Opposer")¹ filed on 21 June 2011 an opposition to Trademark Application Serial No. 4-2010-009767. The application, filed by EVANGELINE TY ("Respondent-Applicant")², covers the mark "VANILLA STAR & DEVICE" for use on goods under class 25³ for apparel namely: ladies, kids, teen's, knitted and woven dresses, shorts, skirts, sets, jumpers, denims, blouses, t-shirts, and shoes.⁴

The Opposer interposes the following grounds for opposition:

1. REVISE CLOTHING, INC. ('Opposer' or 'Revise Clothing') submits that registration for the mark 'VANILLA STAR & DEVICE' will damage and prejudice its rights as follows:

a. It is the registered owner of the well-known and widely-registered trademark 'VANILLA STAR', a trademark with existing registration around the world which is currently valid, owned and used by the Opposer in connection with goods in Class 25 and which, when depicted on the actual 'VANILLA STAR' product, appears as follows: and as such, under Secs. 147.1 and 147.2 of the Intellectual Property Code (or 'IP Code'), it has exclusive right to prevent others from using a mark identical or confusingly similar to 'VANILLA STAR' both for related and unrelated goods or services;

b. 'VANILLA STAR & DEVICE' is confusingly similar to Opposer's 'VANILLA STAR' because when the trademarks are depicted on the actual products, said products become confusingly similar when placed side-by-side and hence, the registration of the former can be prevented by Opposer under Secs. 147.1 and 147.2 of the IP Code, and such registration must be denied under sections 123.1(d) and 123.1(e) of the IP Code.

c. Opposer's trademark 'VANILLA STAR' has acquired tremendous goodwill worldwide and its business has been given such goodwill, which is entitled to protection under Section 168.1 to 168.3 of the IP Code, against the registration of 'VANILLA STAR & DEVICE' which appears to intend to take advantage of such goodwill.

¹ A New Jersey, United States of America corporation, with principal office address at 20 Henry Street, Teterboro, NJ 07608.

² With address at No. 37 First Street, New Manila, Quezon City.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

⁴ The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 22 February 2011.

d. The subject application for the 'VANILLA STAR & DEVICE' which consciously copies the actual 'VANILLA STAR' trademark and the design element of the actual product, is filed in bad faith making it the type of fraudulent application that is proscribed by Section 151 of the IP Code.

e. The use and registration of 'VANILLA STAR & DEVICE' in connection with the goods covered by the subject application will cause confusion, mistake and deception upon the consuming public in regard to the quality, source and origin of the goods, and will likely influence the public into believing that the goods of the Respondent-Applicant are those of the Opposer or the very least, are sponsored or endorsed by the Opposer.

f. 'VANILLA STAR & DEVICE' is a dilution of the well-known 'VANILLA STAR' mark and hence, the registration of the former is proscribed under the principle of Trademark Dilution.

x x x

"3. Its legal existence and its 'VANILLA STAR' mark have been internationally recognized by the Intellectual Property Offices of the following countries:

	Trademark	International Class	App/Reg. No.	App/Reg. Date
USA	VANILLA STAR	25	2762901	9 /9/2003
Canada	VANILLA STAR	25	TMA702548	12/7/2007
India	VANILLA STAR	25	1640293	1 /10/2008
International Registration China, European Union/CTM, Russia, Ukraine	VANILLA STAR	25	977478	8 /26/2008
Vietnam	VANILLA STAR	25	127025	1 /7/2008
Brazil	VANILLA STAR	25	901169269	9/ 9/2008

x x x

"10. Revise Clothing was formed on November 5, 1999 for the purpose of developing a line of clothing directed to the mass consumer market consisting of denim jeans, and related products. Revise Clothing is a privately held company.

"11. Revise Clothing was successful in the manufacture and wholesale of its products from the outset. However, early on it focused its attention to the junior, teen and missy clothing markets.

"12. In connection with Revise Clothing's early adoption and success in the mass market, it determined that it needed a 'house brand' in addition to private label branding. It researched and developed the brand VANILLA STAR in early 2002, filed a trademark application in the United States for the brand, and thereafter obtained registration for its VANILLA STAR brand (See United States Registration No. 2762901).

"13. From its early beginnings, Revise Clothing has been a tremendous market success. It has been written up many times in well-known industry publications. It also enjoys a significant reputation and widespread sales of its products to many of the largest retailers, including: Macy's, Federated Stores, Wal-Mart, Target, Sears, JC Penny, Mande, Amazon.com, and many others.

"14. Revise Clothing has been particularly adept and successful in sourcing its products from many different countries. Accordingly, it has developed a significant reputation within the industry as many manufacturers around the world seek to be suppliers to it for the products that it sells.

"15. In connection with the development and marketing of the VANILLA STAR brand, Revise Clothing advertises on the internet and on billboards. For a number of years it engaged the services of Nastia Liukin, the world famous 2008 Olympic individual all-around Champion gymnast, the 2005 and 2007 World Champion on the balance beam, and the 2005 World Champion on the uneven bars. With a total of nine World Championships medals, she was a well-recognized spokesperson for the VANILLA STAR brand which further propelled the VANILLA STAR brand into prominence on a worldwide basis."

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 16 August 2011. Respondent-Applicant however, did not file an answer. Thus, the Respondent-Applicant was declared in default and the case deemed submitted for decision.

Should the Respondent-Applicant be allowed to register the trademark VANILLA STAR & DEVICE?

The contending marks are obviously identical without any substantial difference despite the presence of a device and the difference in the font style. Moreover, the Respondent-Applicant uses its mark on goods that are similar or closely related to the Opposer's, particularly clothing apparels for men, women and children which flow on the same channels of trade and both falling under Class 25. The following marks are hereby reproduced for comparison:

VANILLA STAR

Vanilla Star

Opposer's Trademark

Respondent-Applicant's Trademark

Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:⁵

⁵ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

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. Hence, 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.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of 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.⁶

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks

Article 15

Protectable subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.

⁶ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. 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 use 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.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code states:

Sec. 122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. – A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the

preservation of existing rights of trademark owners at the time the IP Code took into effect.⁷ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*⁸, the Supreme Court held:

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means if its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.

In this instance, the Opposer proved that it is the owner of the contested mark. It has submitted evidence relating to the origin of its VANILLA STAR trademark long before the filing of the Respondent-Applicant's trademark application. Among the pieces of evidence are the affidavit of the president of Revise Clothing, Inc.,⁹ registration of VANILLA STAR in various countries,¹⁰ and the official website of VANILLA STAR, where products are marketed and sold.¹¹

In contrast, the Respondent-Applicant despite the opportunity given, failed to explain how she arrived at using the mark VANILLA STAR & DEVICE as she failed to file a Verified Answer. The mark VANILLA STAR is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Applicant to have come up with the same mark practically for similar goods by pure coincidence.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-Applicant had to come up with a mark

⁷ See Section 236 of the IP Code.

⁸ G.R. No. 183404, 13 October 2010.

⁹ Exhibit "A" of Opposer.

¹⁰ Attachments to Exhibit "A" of Opposer.

¹¹ Exhibit "F" of Opposer.

identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹²

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-009767 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 08 October 2013.



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

¹² American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.