



SPANX, INC.,
Opposer,

-versus-

RISHI N. MIRANI,
Respondent- Applicant.

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}
} **IPC No. 14-2010-00079**
} Opposition to:
} Appln. Serial No. 4-2007-005257
} Date filed: 24 May 2007
} **TM: "SPANX"**
}
}
}

NOTICE OF DECISION

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No. 2254 Don Chino Roces Avenue
Makati City

GREETINGS:

Please be informed that Decision No. 2013 - 87 dated May 21, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 21, 2013.

For the Director:

Edwin O. Dating
Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



SPANX, INC.,	}	IPC NO. 14-2010-00079
Opposer,	}	Opposition to:
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-versus-	}	Appln. Ser. No. 4-2007-005257
	}	Date Filed: 24 May 2007
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RISHI N. MIRANI,	}	Trademark: SPANX
Respondent-Applicant.	}	
x-----x	}	Decision No. 2013- 87

DECISION

SPANX, INC., (Opposer)¹ filed on 30 March 2010 an opposition to Trademark Application Serial No. 4-2007-005257. The application, filed by RISHI N. MIRANI (Respondent-Applicant)², covers the mark “SPANX”, for use on “soaps for body and face, hair lotions, cosmetics products and clothing namely; hosiery & tights, body shapers, bras & panties, slimming intimates, slimming apparel, t-shirts, and maternity” under Class 03 and Class 25 of the International Classification of Goods³. The Opposer alleges, among other things, the following:

“1. The registration of the mark “SPANX” in the name of the Respondent-Applicant will violate the rights and interest of opposer over its internationally famous tradename and mark, “SPANX”, and will therefore cause great and irreparable damage and injury to herein opposer who is entitled to relief, pursuant to Section 134 of the Intellectual Property Code, R.A. No. 8293.

“2. The proposed mark “SPANX” of respondent-applicant is identical with opposer’s mark as to be likely, especially when applied to or used in connection with the similar goods of the respondent-applicant, to deceive or cause confusion.

“3. The opposer’s well-known mark and tradename “SPANX” is entitled to protection under Articles 6bis and 8 of the Paris Convention for the Protection of Industrial Property and Sec. 123.1 (e) of the Intellectual Property Code.

“4. Respondent-Applicant’s proposed mark “SPANX” is identical with and so confusingly similar to the above-mentioned mark “SPANX”

¹ A corporation organized under and governed by the laws of the State of Georgia, United States of America with principal office at 3344 Peachtree Road, Ste. 1700 Atlanta , GA 30326, U.S.A.

² With address at Kampri Building, 2254 Don Chino Roces Avenue, Makati City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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.

of opposer and is intended to ride on the popularity and goodwill of the latter's mark and to deceive and /or confuse the purchasing public to believe that respondent-applicant's business is the same or connected with the business of opposer, its affiliates and subsidiaries.

"5. The approval of the application in question will cause great and irreparable damage and injury to herein opposer. The opposer herein will rely on the following facts to support its opposition.

(a) The opposer, its predecessors- in-interest and subsidiaries, are and have always been the owner of the tradename and mark "SPANX" since it was first used on opposer's clothing goods long before the filling date of the mark "SPANX" by respondent-applicant.

(b) The opposer has used its "SPANX" mark in its clothing goods not only in the United, its home country, but in many countries of the world, and the registration of the mark "SPANX" will greatly damage and prejudice opposer in the use of its said "SPANX" mark.

(c) The mark " SPANX", subject of the application of respondent-applicant, are for goods in Classes 3 and 25, which are similar to the goods on which the opposer uses its "SPANX" mark, so much so that the public will be confused and may assume that that the goods of respondent-applicant are goods of the opposer.

(d) Opposer continues to use its "SPANX" mark on goods under the same International Classes 3 and 25.

(e) By virtue of opposer's prior and continued use, if not prior registration of the "SPANX" mark in its home country the United States and other parts of the world, the said "SPANX" mark has become popular and internationally well-known and has established goodwill for the opposer with the public which has identified the opposer as the source of goods bearing the said "SPANX" mark. The long use of, and the large amounts spent by opposer for popularizing its mark has generated an immense goodwill for said mark in may countries of the world, and has acquired general international consumer recognition as belonging to the one owner and source, i.e., the opposer herein, and opposer's goods have acquired the reputation of high quality clothing goods with the general public so that opposer's "SPANX" mark has become strong and distinctive and is not, therefore, ordinary, common and weak mark.

(f) This strong distinctive goodwill of the "SPANX" tradename and mark will now be diluted, whittled away, diminished, if not tarnished by the identical mark "SPANX" of respondent-applicant.

(g) Opposer's "SPANX" mark has been registered, applied for registration and used in many countries of the world and, is therefore a well-known mark, such that it is entitled to protection under the Intellectual Property Code, R.A. 8293 and Article 6(bis) of the Paris Convention for the Protection of Industrial Property.

(h) The mark "SPANX" subject of the application of respondent-applicant is so confusingly similar to opposer's "SPANX" mark and when applied to or used with the goods of respondent-applicant will likely cause confusion or mistake or deceive the public in general as to the source or origin of respondent-applicant's goods to such an extent that the goods covered by the mark "SPANX" will be mistaken by the unwary public to be the goods offered by opposer or will cause the general public to believe that herein respondent-applicant is affiliated or connected with opposer's business.

(i) The mark "SPANX" subject of respondent-applicant's application is flagrant copy of opposer's "SPANX" mark so that its use on the goods of respondent-applicant will indicate that respondent-applicant's goods are the same or connected with the goods of herein opposer as to falsely suggest a connection with the existing business of opposer and therefore may result in defrauding opposer of its long-established business.

(j) The goods covered by the mark "SPANX" of respondent-applicant will be offered, marketed and promoted in the same trade channels as those of opposer's "SPANX" mark, and will make it even more likely for the general public to confuse one for the other considering that respondent-applicant's mark is an exact copy of opposer's "SPANX" mark, to the great prejudice of opposer.

(k) The mark "SPANX" of respondent-applicant is so confusingly similar to opposer's "SPANX" mark such that it was obviously adopted by respondent-applicant with the intention of riding on the long established goodwill of the "SPANX" mark of the opposer.

"6. The opposed mark is a bad faith application. Respondent-Applicant is a local "enterprising entrepreneur" who intercepts and preempts true owners of strong and well-known marks by applying or using the marks here. Respondent-Applicant has a history of applying in his name for the registration of strong and famous marks on a regular basis.

"7. Further, SPANX is also the trade name or corporate name of opposer SPANX, INC., which already existed since February 15, 2000. Under the Paris Convention, to which the Philippines is a signatory, it is protected even without the obligation of registration. Article 8 of the Paris convention provides:

"A tradename shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark."

To support its opposition, the Opposer submitted as evidence the following:

1. Print-out of the "Story of SPANX" excerpted from www.spanx.com Exhibit "B";
2. Photos of SPANX products displayed at Rustan's and invoice for SPANX products paid by Rustan's (Exhibit "C"- "C-9");
3. List of worldwide registrations (Exhibit "D");
4. Certified copies of sampling of registrations (Exhibit "E" to "E-11");
5. Samples of worldwide print brochures and advertisement using the mark SPANX. (Exhibit "F");
6. Copies of print-out of www.spanx.com, advertising and selling the clothing goods bearing the mark SPANX. (Exhibit "G" to "G-6");
7. Collection of websites showing either the use or recognition of the SPANX mark. (Exhibit "H");
8. List of applications/registrations in the name of Respondent-Applicant with the Intellectual Property Office (IPO). (Exhibit "I") and
9. Search result from the IPO on the Respondent's application/registrations. (Exhibit "J").

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 07 May 2010. The Respondent-Applicant, however did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark SPANX?

The competing marks are depicted below:

SPANX

Opposer's mark

SPANX

Respondent-Applicant's mark

The records show that the Respondent-Applicant applied for registration of the mark SPANX on 24 May 2007, the Opposer has an existing registration for the mark "SPANX" which is used for footless panty hose and other undergarments for women, particularly "body shaping" undergarments intended to give the wearer a slim and shapely appearance.

With that, this Bureau will delve on the claim of the Opposer that it is the rightful owner of the mark.

It is emphasized that 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.⁴ In this regard, 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.

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999, citing Etepha v. Director of Patents, supra. Gabriel v. Perez, 55 SCRA 406 (1974). See also 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

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 provisions 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.

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.

Art. 16 (1) of the TRIPS Agreement states:

Article 16
Rights Conferred

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, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, 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 also 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. Significantly, Sec. 122 refers to Sec. 2-A of R. A. 166, as amended (the old Law on Trademarks), which states:

Sec. 2-A. Ownership of Trademarks, Tradenames and Service Marks; How Acquired. - Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, a trade name, or a service mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or services of others. The ownership or possession of a trademark, trade name, service mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law.

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*⁵, 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 of 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*

⁵ G.R. No. 183404, 13 October 2010.

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 the one who first used it in trade.”

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, thereby adopting the policy of “First-to-File” rule, there are indications that 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.⁶ The “First-to-File” rule could not have been intended to justify the approval of a trademark application just because it was the first application to be filed regardless of another's better or superior right to the mark applied for. The rule cannot be used to commit or perpetrate 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. RA 8293 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 the instant case, while it is true that the Respondent-Applicant has prior application in the Philippines than the Opposer, it does not mean that he acquired superior right over the subject mark. On the contrary, the Opposer was able to prove that it has actually used the mark in commerce long before the filing of the Respondent-Applicant's trademark application. In support thereof, the Opposer submitted Affidavit⁷ with the attached copies of certificates registration⁸ issued in or filed in various countries. Some of these certificates were issued or filed prior to the filing of Respondent-Applicant's application, the earliest of which was issued as early as 2001. The Opposer also submitted photos of SPANX product displayed at Rustan's and invoice for SPANX products paid by Rustan's evidencing prior use of the mark SPANX than that of the Respondent-Applicant. The Opposer, through its witness, narrated the origin of its SPANX trademark. On the other hand, the Respondent-Applicant, despite the opportunity given, failed to explain how it arrived at using the trademark SPANX at it failed to file its Verified Answer. It is incredible for the Respondent-Applicant to come up with the same mark practically for the same kind of goods on pure coincidence. The field from which a person may select a trademark is practically unlimited. As in all other

⁶ See Section 236 of the IP Code.

⁷ Exhibit “A”

⁸ Exhibit “E” to “E-11”

cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark 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.⁹

Because the mark SPANX is unique and distinctive with the kind of goods it is attached with, the Respondent-Applicant's use of the same mark for the same kind of goods would likely create an impression that this is owned by or just a variation of the Opposer's mark.

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. 4-2007-005257 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, 21 May 2013.


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

⁹ *American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 February 1970.