



INTERMIX (ITM) INC.,
Opposer,

-versus-

IPC No. 14-2013-00100
Opposition to:
Application No.4-2012-011660
Date filed: 21 September 2012
TM: "INTERMIX"

ELITE FORCE INDUSTRIES, INC.,
Respondent-Applicant.

X-----X

NOTICE OF DECISION

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Respondent-Applicant
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GREETINGS:

Please be informed that Decision No. 2015 - 20 dated March 04, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 04, 2015.

For the Director:


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



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Opposer,

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Opposition to:

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Trademark: **"INTERMIX"**

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Decision No. 2015 - 20

DECISION

Intermix (ITM), Inc.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-011660. The application, filed by Elite Force Industries, Inc.² ("Respondent-Applicant"), covers the trademark "INTERMIX" for use on *"soaps, perfumery, essential oils, cosmetics, hair lotions", "eyeglasses, sunglasses, eyeglasses frames, eyeglasses case, contact lens"* and *"jeans, pants, slacks, shorts, t-shirts, polo, polo shirts, blouses, dresses, skirts, sweaters, jackets, jogging pants, sandos, blazers, wind breakers, overalls, briefs, panties, supporters, socks, stockings, leggings, hats, caps, visors, gloves, ties, belts of clothing, suspenders, wrist bands, head bands, swimsuits, swimming trunks,, shoes, sandals, slippers, boots"* under Class 03, 09 and 25, respectively of the International Class of Goods³.

The Opposer relies on the following grounds to support its Opposition:

"1. Opposer has a pending application for registration in the Philippines of the trademark INTERMIX ('Intermix's INTERMIX') covered by Application No. 4-2013-000849 filed on January 25, 2013 for goods under International Classes 18 and 25. x x x

2. Opposer is a wholly owned subsidiary of The Gap Inc. ('Gap'). The INTERMIX trademark is currently registered and used in the name of Opposer outside the U.S., and in the name of another Gap company, Intermix, LLC, in the US. 'ITM' stands for International Trademarks. These entities are hereinafter occasionally referred to collectively or individually as 'Intermix'. Intermix has been using the mark "INTERMIX in the United States since 1993. As early as November 24, 1995, Intermix has registered the INTERMIX mark with the U.S. Patent and Trademark Office ('USPTO') under class 35 and subsequently, under classes 18 and 25, 35 and 3 on February 5, 1997, December 30, 1997 and July 9, 2008, respectively. It has pending U.S. applications for registration of the INTERMIX mark under classes 41 and 9, 14, 18 filed on December 13, 2012. Intermix has

¹ A corporation duly organized under the laws of the United States, with principal office address at 2 Folsom Street, San Francisco, USA.

² With address at Unit 403 L.V. Locin Bulding, Ayala Ave. cor. Makati Ave, Makati City, Philippines.

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.

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also caused the registration of a related mark, Intermix & Design, with the USPTO under classes 9, 14 and 18 and 35 on September 29, 2009 and May 10, 2005, respectively.

3. Apart from its registrations in the United States, Intermix has likewise caused the registration, or has filed the application with the relevant intellectual property office, of the INTERMIX mark in the following countries:

X X X

4. Opposer caused the filing of an application for registration of Intermix's INTERMIX mark in the Philippines on January 25, 2013. Although Respondent-Applicant filed its application on September 21, 2012, Intermix has clearly been using the INTERMIX mark as early as 1993 and the stylized version thereof as early as April 2010. This is evident from the pictures of Intermix's outlets in the United States, as shown in the attached Affidavit of Jennifer Sim. Intermix has likewise caused the registration of the stylized INTERMIX mark in the United States as early as March 8, 2011.

5. Respondent-Applicant's mark is confusingly similar to Intermix's INTERMIX mark, and is in fact an exact replica of the stylized INTERMIX mark registered in the United States. It will mislead consumers into believing that the INTERMIX mark applied for by the Respondent-Applicant is affiliated with or authorized by Opposer or mislead consumers into buying Respondent-Applicant's products instead of Opposer's products.

6. Moreover, the class of goods over which the Respondent-Applicant's INTERMIX mark is sought to be registered are identical, similar to, or closely related with the goods for which Intermix's INTERMIX mark is used and registered.

7. Among others, Respondent-Applicant intends to use the INTERMIX mark for "jeans, x x x" for which the INTERMIX mark is used by Intermix.

8. When looked at side by side in their entirety, Respondent-Applicant's stylized INTERMIX mark is an exact replica of the stylized INTERMIX mark used by Intermix in its retail stores in the United States and on its website.

9. Considering the striking similarities between the two INTERMIX marks, and in light of Intermix's international renown, Respondent-Applicant's use and registration of its INTERMIX mark will cause damage to Opposer.

10. Further, given the worldwide recognition of Intermix's INTERMIX mark, there is no clear reason for Respondent-Applicant to have adopted the mark INTERMIX other than to trade on the goodwill and worldwide recognition of Intermix's registered mark, thereby misleading the public into believing that its identical or similar goods bearing the trademark originate from, or are licensed or sponsored by Opposer.

11. Respondent-Applicant's application for registration of the trademark INTERMIX is based on the misrepresentation that it is the originator, true owner or first user of the trademark, which was merely derived from Intermix's INTERMIX mark.

12. Respondent-Applicant's use and registration of the trademark INTERMIX diminishes the distinctiveness and dilutes the goodwill that Intermix has earned using the same INTERMIX mark.

13. Respondent-Applicant's use of the INTERMIX mark infringes upon Opposer's exclusive right to use the INTERMIX mark, which is well-known trademark protected under Sections 147 and 123.1 (d), (e) and (f) of the Intellectual Property Code (IP Code), Article 6bis of the Paris Convention and Article 16 of the Agreement on the Trade Related Aspects of Intellectual property Rights to which Philippines and United States adhere.

14. It likewise bears stressin that Intermix has been using INTERMIX not only as a trademark, but more importantly, as its trade name since 1993 in accordance with Section 165.2 of the IP Code, to wit: x x x

x x x

17.A corporation's right to use its corporate and trade name is a property right, a right in rem, which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. It is regarded, to a certain extent, as a property right and one, which cannot be impaired or defeared by subsequent appropriation by another corporation in the same field.

In support of its Opposition, the Opposer submitted the following as evidence:

1. printout taken from the website of this Office indicating the status of the Opposer's application;
2. original copies of its USPTO registrations
3. affidavit of Jennifer Sim, with annexes;
4. original copy of the 2012 Annual Report of Gap, Inc.; and
3. copy of advertisements for various publications.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 06 September 2013. Respondent-Applicant however, did not file an answer. Thus, the Hearing Officer issued Order No. 2013-1658 dated 10 December 2013 declaring the Respondent-Applicant in default and submitting this instant case for decision.

The issue to be resolved is: Should the Respondent-Applicant be allowed to register the trademark "INTERMIX"?

The contending marks are obviously identical without any substantial difference in their font style and manner of display. Moreover, the Respondent-Applicant uses its mark on goods that are similar or closely related to the Opposer's. 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:⁴

"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.⁵

Records reveal that the Opposer filed for application of the mark "INTERMIX" only on 25 January 2013. On the other hand, the Respondent-Applicant earlier filed an application for the same mark on 21 September 2012. Aply, the Opposer raises the issue on ownership.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 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**

⁴ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 January 1987.

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

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.*
- 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, Section 121.1 of R.A. No. 8293, also known as the Intellectual Property Code ("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)

Section 122 of the IP Code further 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)

Obviously, there is nothing in Section 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, Section 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.⁶ 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**⁷, 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

⁶ See Section 236 of the IP Code.

⁷ G.R. No. 183404, 13 October 2010.

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.⁸ 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 "INTERMIX" trademark long before the filing of the Respondent-Applicant's trademark application. Among the pieces of evidence is the Certificate of Registration No. 1,935,678 issued by the USPTO as early as 14 November 1995. Also, the 2012 Annual Report bolsters the fact that the Opposer has been using the mark "INTERMIX" before the filing of the contested application by the Respondent-Applicant.

In contrast, the Respondent-Applicant despite the opportunity given, failed to explain how she arrived at using the mark "INTERMIX" as it failed to file a Verified Answer. The mark "INTERMIX" 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 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

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

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

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. 4-2012-011660 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, 04 March 2015.


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