



CHANEL, SARL,
Opposer,

-versus-

SUNSTYLE CORPORATION,
Respondent-Applicant.

x-----x

} IPC No. 14-2014-00116
} Opposition to:
} Appln. Serial No. 4-2013-00006795
} Date Filed: 11 June 2013
} TM: "CHIANELLE"

NOTICE OF DECISION

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SUNSTYLE CORPORATION
Respondent-Applicant
819 Tayuman Street
Tondo, Manila

GREETINGS:

Please be informed that Decision No. 2015 - 239 dated November 02, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 02, 2015.

For the Director:


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



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- versus -

SUNSTYLE CORPORATION,
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IPC No. 14-2014-00116
Opposition to:

Appln. No. 4-2013-00006795
Date Filed: 11 June 2013

Trademark: "CHIANELLE"

Decision No. 2015 - 239

DECISION

CHANEL, SRL ("Opposer"),¹ filed an opposition to Trademark Application Serial No. 4-2013-00006795. The application, filed by SUNSTYLE CORPORATION ("Respondent-Applicant")², covers the mark "CHIANELLE" for use on goods under classes³ **25: clothing, namely, baby dresses;** and, **26: lace and embroidery.**

The Opposer alleges the following:

"1. Opposer is the registered owner in the Philippines of the mark CHANEL for goods in Classes 3, 14, 18, 21, 25 and 35 under Registration Nos. 42004009259, 031930, 057003, 41997124816, 063475. It is also the registered owner of the mark COCO CHANEL in the Philippines for goods in Class 3 under Registration No. 054979. (The marks CHANEL and COCO CHANEL are hereinafter collectively referred to as the 'CHANEL Marks').

"2. Opposer, affiliated Chanel companies and their predecessors in business and title (collectively referred to as 'Chanel') first used the CHANEL mark in France, USA, and UK over 90 years ago. Chanel continues to use the CHANEL Marks in those countries and many others to this day. The trademark CHANEL was first registered in the Philippines at least as early as 1983 and COCO CHANEL in 1993, long before Respondent-Applicant appropriated the mark CHIANELLE for identical or similar goods.

"3. Respondent-Applicant's mark CHIANELLE so resembles the CHANEL Marks as to be likely, when applied to or used in connection with the identical and related goods of Respondent-Applicant, to cause confusion, mistake, and deception on the part of the purchasing public by misleading them into thinking that Respondent-Applicant's goods either come from Opposer or are sponsored or licensed by it.

"4. The two marks are phonetically similar, containing six similar letters, and two syllables each which are similar in sound and appearance. The marks are differentiated only by the letters 'i' and 'le', which are pronounced silently, thus producing no effect aurally. The two marks are thus pronounced alike, and when an oral reference is made as to one mark, whether in advertisements or otherwise, confusion among consumers arises, and misleading and incorrect associations are made.

¹ A corporation organized under the laws of Switzerland, registered at Burgstrasse 26, CH-8750 Glarus, Switzerland.

² With registered address at 819 Tayuman Street Tondo, Manila.

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.

"5. There is nothing inherent in the CHIANELLE mark suggesting that the mark is distinguishable from Opposer's marks.

"6. The goods applied for by Respondent-Applicant are identical or closely related to the goods for which Opposer's CHANEL mark is used and registered. Respondent-Applicant's CHIANELLE mark is sought to be registered for goods under Classes 25 and 26, for which classes of goods the CHANEL mark is also registered or is related to.

"7. The registration and use by Respondent-Applicant of the CHIANELLE mark will diminish the distinctiveness and dilute the goodwill of Opposer's CHANEL Marks. The CHANEL mark has been recognized as a famous or well-known mark by courts and intellectual property offices in many countries.

"8. Given the worldwide recognition and prior use of Opposer's CHANEL Marks in the Philippines, there is no clear reason for Respondent-Applicant to have adopted the CHIANELLE mark, other than to trade on the goodwill and worldwide recognition of the CHANEL Marks, thereby misleading the public into believing that its identical or similar goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified by consumers as the exclusive source of fine quality clothing bearing the CHANEL Marks.

"9. The approval of Respondent-Applicant's trademark CHIANELLE is based on the representation that it is the originator; true owner and first user of the trademark, when, in fact, it merely derived so from Opposer's trademarks.

"10. Opposer is the first user of the CHANEL Marks in Philippine commerce and elsewhere, having utilized the same since at least 2000 in the Philippines. Respondent-Applicant's use of a confusingly similar mark as the brand name for its own related products is likely to cause confusion as to the origin of the goods.

"11. Respondent-Applicant's use of the trademark CHIANELLE infringes upon Opposer's exclusive right to use the CHANEL Marks, which are well-known trademarks, protected under Sections 147 and 123.1 (d), (e), (f) 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 Switzerland adhere.

The Opposer's evidence consists of the following:

1. Original notarized and legalized Verified Notice of Opposition;
2. Original notarized and legalized evidentiary affidavit of Catherine Louis Cannon and supporting documentary exhibits;
3. Notarized and legalized true copy of the Extract from Glarus Commercial Register; and,
4. Original notarized and legalized Special Power of Attorney.
5. Photographs of products bearing the DESIRE trademark;
6. Table showing the details of Opposer's registration and the pending applications for the DESIRE trademark worldwide;

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 21 May 2014. Respondent-Applicant however, did not file an answer. Thus, in Order No. 2015-891 dated 15 June 2015, Respondent-Applicant is declared in default and this case is deemed submitted for decision.

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

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 out into the market a superior 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

Records show that at the time Respondent-Applicant filed its application for the trademark "CHIANELLE" on 11 June 2013⁵, herein Opposer already has existing registration for its trademark "CHANEL" under the following registration numbers: 42004009259, 031930, 057003, 41997124816, and 063475 for various classes of goods including Classes 3, 14, 18, 21, 25 and 35⁶, even before the former's application filing date. In the Philippines, a certificate of registration constitutes a prima facie evidence of the validity of the registration, 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.⁷

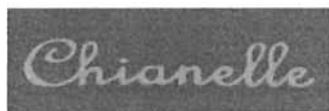
The competing marks are reproduced below for comparison and scrutiny:

CHANEL

CHANEL

CHANEL

Opposer's Trademarks



Respondent-Applicant's Trademark

It appears that the competing marks are phonetically similar, consisting of two syllables and similar letters, except for the letter "i". They have similar sound and appearance which apparently do not produce significant difference when pronounced. Further, the illustrated marks cover similar and/or related goods, more particularly class 25. Indeed, these goods are found in the same channels of business and trade and/or cater its products to the same segment of consumers.

Confusion 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 other.⁸ Colourable imitation does not

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

⁵ Filewrapper records.

⁶ IPOPhil Trademarks Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 02 November 2015).

⁷ Sec. 138, IP Code.

⁸ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 200, 356 SCRA 207, 217.

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mean such similitude as amount to identify, nor does it require that all details be literally copied. Colourable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark with that of the other mark or trade name in their over-all presentation or in their essential substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.⁹

Also, considering the similarity or relatedness of goods carried by the contending marks, the consumers will have the impression that these products originate from a single source or origin or they are associated with one another. The likelihood of confusion therefore, would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:¹⁰

Cullman 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.

Thus, Sec. 123.1 (d) of the IP Code provides:

A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Corollarily, the public interest 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.¹¹

In contrast, the Respondent-Applicant despite the opportunity given, failed to explain how it arrived at using the mark "CHIANELLE" as it failed to file its Answer to the opposition. . The Opposer's mark "CHANEL" is unique and highly distinctive with respect to the goods it is attached with.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-0006795 is hereby **SUSTAINED**. Let the file wrapper of the subject trademark application be

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

¹⁰ Id.

¹¹ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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

SO ORDERED.

Taguig City, 02 November 2015.



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