

JULES (LLC),
Opposer,

-versus-

**MACY'S MERCHANDISING
GROUP, INC.,**
Respondent- Applicant.

} **IPC No. 14-2013-00228**
} Opposition to:
} Appln. Serial No. 4-2012-014610
} Date Filed: 12 March 2012
} **TM: "MAISON JULES"**
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X-----X

NOTICE OF DECISION

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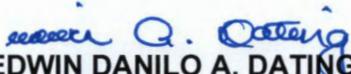
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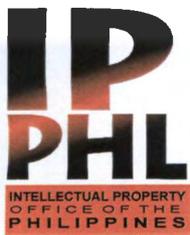
GREETINGS:

Please be informed that Decision No. 2016 - 115 dated April 11, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 11, 2016.

For the Director:


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



JULES (LLC),
Opposer,

-versus-

IPC No. 14-2013-00228
Opposition to:
Appln. Serial No. 4-2012-014610
Date Filed: 12 March 2012

**MACY'S MERCHANDISING
GROUP, INC.,**
Respondent-Applicant.

Trademark: **"MAISON JULES"**

x ----- x Decision No. 2016 - 115

DECISION

Jules (LLC)¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-014610. The application, filed by Macy's Merchandising Group, Inc.² ("Respondent-Applicant"), covers the trademark "MAISON JULES" for use on *"perfumery, essential oils, cosmetics, hair lotions, dentrifices", "jewelry, costume jewelry, precious stones, watches and chronometric instruments", "leather goods, luggage, travelling trunks, travelling bags, all-purpose sports bags, attaché case, holdall cases, gear packs, messenger bags, tote bags, stowaway bags, garment bags, handbags, duffel bags, briefcases, wallets, purses, key cases, personal organizers, pocket calendars, agendas, diaries, passport cases, pouches, leather trays and leather folding snap trays, billfolds, leather money cases, leather portfolios, leather cases, covers and sleeves for portable electronic devices, computers, tablet computers, telephones and smart phones, umbrellas", "furniture, mirrors, picture frames, bath bed and home, accessories, bath pillows, bed pillows, chair pads, curtain rods, curtain hooks, cushions, decorative pillows, pet cushions, pillows", "textiles; bed and covers; pillow cases, pillow covers, pillow shams, blankets, blanket throws, bed blankets, comforters, shams, quilts, duvets, duvet covers, sheets, sheets, sheet sets, bed sheets, bed spreads, crib sheets and bumpers, bed skirts, coverlets, towels, face cloths and towels, bath towels, curtains, draperies, shower curtains, shower curtain liners, bath, bed, and home accessories and linen, fabric covers, pads and protectors, place mats, pot holders, tablecloths, throws"* and *"men's, women's and children's clothing, footwear and headgear"* under Class 03, 14, 20, 24 and 25, respectively, of the International Class of Goods³.

According to the Opposer, it is a well-known manufacturer and distributor of men's clothing, footwear, accessories and other related clothing items. The "JULES" brand or corporate name was created in 2000. In 2003, it opened its own training

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.

Republic of the Philippines
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centers and in 2004, it branched out to three hundred (300) stores in France. In 2006, it expanded to countries like Spain, Belgium, Italy, among others. It opened its own high-tech logistics facility and widened its e-shopping scope in 2008. It also built a new headquarter in France and presently has three hundred ninety-eight (398) stores in twelve (12) countries. Its products bearing the "JULES" mark are manufactured in countries India, Turkey, Bangladesh, Italia and Mauritius. It has pending applications and/or registrations of the "JULES" mark in many countries. It also extensively used and publicized the same and maintains a website where anyone can access its products, fashion tips, advertisements and other promotions.

The Opposer contends that the registration of the Respondent-Applicant's mark "MAISON JULES" is contrary to Sections 123.1 subparagraphs (e) and (f) and 131.3 of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") and Article 6bis of the Paris Convention for the Protection for the Protection of Industrial Property. It alleges that "MAISON JULES" and "JULES" are confusingly similar as the dominant feature of the marks is "JULES" and both marks cover similar, related and competing goods. It asserts that its mark is well-known. In support of its Opposition, the Opposer submitted the following as evidence:⁴

1. notarized and legalized affidavit-testimony of Francis Faillon dated 15 July 2013;
2. its trademark portfolio;
3. Registration Certificate No. 48721, with English Translation, issued by the Directorate of Industrial Property of the Kingdom of Bahrain;
4. Certificate of Registration No. 301025577AB issued by the IP Department, Hong Kong Special Administrative Region;
5. Certificate of Trademark, with English translation, issued by the General of IP Rights, Indonesia;
6. Trademark Certificate of Registration No. 104630 issued by the Industrial Property Protection Directorate, Kingdom of Jordan;
7. Certificate of Registration No. 08000452 issued by the IP Corporation of Malaysia;
8. trademark registration issued by the Instituto Mexicano de la Propriedad Industrial;
9. Certificate of Trademark Registration, with English translation, issued by the Department of IP, Sulatanate of Oman;
10. Trademark Registration Certificate No. 1263413, with English translation, issued by IPO Taiwan;
11. Certificate of Trademark Registration No. TM296828 issued by the Department of IP, Thailand;
12. CTM Online – Trademark No. 001833888, OHIM;

⁴ Marked as Exhibits "B" to "D-14".

13. International Registration Nos. 1030544, 485971 and 954988, WIPO;
14. Trademark Registration Certificate No. 88541, with English translation, issued by the Commercial Registration Department, UAE; and
15. Certificate of Registration No. 287, Tunisia.

The Respondent-Applicant filed its Answer on 28 November 2013 alleging, among others, that the Opposer has no valid and legal ground to oppose the registration as the later has no pending application, let alone a registration, of "JULES" in the Philippines. It asserts that "JULES" has not achieved the status of an internationally well-known mark nor can same be considered well-known in the Philippines. It moreover contends that the dominant component of its mark is "MAISON", which is very different from "JULES". It avers that trade confusion is unlikely because "MAISON JULES" is used as a composite mark, with both elements always prominently displayed. The Respondent-Applicant's evidence consists of the affidavit of Jay L. Monitz, with annexes.⁵

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. This Bureau's Alternative Dispute Resolution Services, however, submitted a report that the parties refused to mediate. Accordingly, a Preliminary Conference was conducted on 17 March 2015. Upon termination thereof on the same day, the Hearing Officer directed the parties to submit their respective position papers. After which, the case is deemed submitted for resolution.

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

To determine confusing similarity, the competing marks are depicted below:

JULES **MAISON JULES**

Opposer's mark

Respondent-Applicant's mark

The contending marks similarly appropriate the word "JULES". That "MAISON" precedes "JULES" in the Opposer's mark is of no moment. After all, 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 purchased as to cause him to purchase the one supposing it to be the other.⁶

⁵ Marked as Exhibits "1" to "6".

⁶ Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

Moreover, the Respondent-Applicant uses or intends to use its mark on "men's, women's and children's clothing, footwear and headgear", which are the same and/or closely related to the goods covered by the Opposer's "JULES" mark, i.e men's clothing, footwear, accessories and other related clothing items. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin or that there has been a collaboration and/or affiliation between the two companies. 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:⁷

"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.⁸

Records show that the Respondent-Applicant filed the contested application on 12 March 2012. The Opposer, on the other hand, has no pending application and/or existing registration in the country. The Opposer anchors its opposition on Sections 123.1 (e) and (f) and 131.3 the IP Code as well as Article 6bis of the Paris Convention for the Protection for the Protection of Industrial Property, which provide:

Sec. 123. Registrability. -

123.1. A mark cannot be registered if it: x x x

⁷ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 January 1987.

⁸ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use; x x x"

"Sec. 131. Priority Right. – x x x

131.3. Nothing in this section shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country: Provided, That, notwithstanding the foregoing, the owner of a well-known mark as defined in Section 123.1(e) of this Act, that is not registered in the Philippines, may, against an identical or confusingly similar mark, oppose its registration, or petition the cancellation of its registration or sue for unfair competition, without prejudice to availing himself of other remedies provided for under the law."

**"Article 6bis
Marks: Well-Known Marks**

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith."

Basically, the Opposer contends that its mark "JULES" is well-known. Corollarily, the Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers states that:

"Rule 102. Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;***
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;***
- (c) the degree of the inherent or acquired distinction of the mark;***
- (d) the quality-image or reputation acquired by the mark;***
- (e) the extent to which the mark has been registered in the world;***
- (f) the exclusivity of registration attained by the mark in the world;***
- (g) the extent to which the mark has been used in the world;***
- (h) the exclusivity of use attained by the mark in the world;***
- (i) the commercial value attributed to the mark in the world;***
- (j) the record of successful protection of the rights in the mark;***
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,***
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark. "***

The Opposer failed to adduce evidence that its mark is well-known internationally and in the Philippines. Registrations alone are insufficient for a mark to be considered well-known. This notwithstanding, the Opposer can still validly oppose the Respondent-Applicant's application for the mark "MAISON JULES" in view of the provisions of Section 165.2 of the IP Code, which provides:

"165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful. (Emphasis supplied.)

The mark "JULES" is unquestionably the prevalent feature of the Opposer's tradename. Thus, it has interests that may be damaged by the filing of the contested person as the public may likely be confused or misled that the Respondent-Registrant's goods is in any way connected to them. Prior registration of the trade name is not a prerequisite for its protection. This is further explained by

the Supreme Court, in the case of **Coffee Partners, Inc. vs. San Francisco Coffee and Roastery, Inc.**⁹, as follows:

"In Philips Export B.V. v. Court of Appeals, this Court held that a corporation has an exclusive right to the use of its name. The right proceeds from the theory that it is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same name, or the same name with a slight variation in such a way as to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name."

Succinctly, 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 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.**

⁹ G.R. No. 169504, 03 March 2010.

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, not 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.¹⁰ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A

¹⁰See Section 236 of the IP Code.

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**¹¹, 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 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.¹² 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 mark "JULES, which it registered in different countries. Trademark No. 301025577AB for the mark "JULES" was issued by the Trade Marks Registry Intellectual Property Department of Hong Kong as early as 04 January 2008 (Exhibit "D-1"). On the other hand, the Respondent-Applicant failed to present evidence of use of the mark "MAISON JULES" before the said date. The registration certificates it submitted is for the marks "MACY'S" and "THE MAGIC OF MACY'S", which do not incorporate "MAISON JULES" in any way. That the Respondent-Applicant's company may have been established earlier than that of the Opposer's do not automatically equate prior use of the contested mark.

Finally, the intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system

¹¹G.R. No. 183404, 13 October 2010.

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. 4-2012-014610 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, 11 April 2016.


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