

ALL STAR C.V. [NL],
Opposer,

-versus-

LIU XUEFA,
Respondent - Applicant.

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}
} IPC No. 14-2014-00543
} Opposition to:
} Appln. No. 4-2014-010562
} Date Filed: 22 August 2014
} TM: "CUTBSP SPORT
} SUPPLIES"

NOTICE OF DECISION

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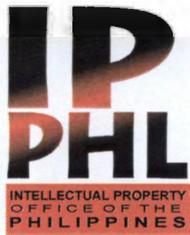
GREETINGS:

Please be informed that Decision No. 2016 - 179 dated June 22, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 22, 2016.

For the Director:

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



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IPC No. 14-2014-00543
 Case Filed: 13 February 2015
 Opposition to:
 Application No. 4-2014-010562
 Date Filed: 22 August 2014
 Trademark: "CUTBSP SPORT
 SUPPLIES"

Decision No. 2016- 179

DECISION

ALL STAR C.V. [NL]¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-010562. The application, filed by Liu Xuefa² ("Respondent-Applicant"), covers the mark "CUTBSP SPORT SUPPLIES" for use on "Sports jerseys, trousers and pants; shirts; vulcanized shoes; canvass shoes; sports shoes; half-boots; slippers; headgear for wear; hosiery; gloves [clothing]; girdles" under Class 25 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"DISCUSSION

"15. Section 123.1 (d), (e), (f) provides:
 x x x

"16. Under prevailing jurisprudence on the matter, the dominance test, as now incorporated under Section 155 of the IP Code, may be applied to test the existence of confusing similarity. The dominance test focuses on the similarity of the prevalent features of the competing marks that might cause confusion and deception. Under this test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences. As held in the case of McDonald's corporation and McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc. et al. (G.R. No. 143993, August 18, 2004):

x x x

"17. Applying the dominance test, it is clear that Respondent-Applicant's registration and use of the CUTBSP SPORT SUPPLIES mark will result in a likelihood of confusion.

¹A corporation duly organized under the laws of the Netherlands, with principal office at Colosseum 1, Hilversum 1213NL, the Netherlands.

²With address at No. 49, Xiaoliuzhuang Village, Qiaorum Neighbourhood, Yanggu County, Shandong Province, China.

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

"a. Respondent-Applicant's CUTBSP SPORT SUPPLIES mark adopts the dominant features of Opposer's CONVERSE marks - a star within a circle, with the name of the brand arching over the star: The competing marks are reproduced below to show the stark similarities in their dominant features:

"b. Further, the same capital and block letters are used in presenting the name of the marks, which arch over the star in the middle. Respondent-Applicant also begins its mark with the capital letter 'C'. Curiously, Respondent-Applicant also uses a double-branded circle and the same black and white color scheme used by Opposer in its CONVERSE ALL STAR Ankle Patch Design mark for its own mark's designs. 'CUTBSP' for Respondent-Applicant and 'Chuck Taylor' for Opposer are similarly horizontally strewn across the circle in the competing marks. When applied to actual footwear products, Respondent-Applicant's mark is placed near the ankle portion of the shoe, in precisely the same location that Converse has placed its CONVERSE ALL STAR Ankle Patch Design mark on shoes for decades.

"c. In addition, the CUTBSP SPORT SUPPLIES mark is being applied for goods in Class 25, for 'sports, jerseys, trousers and pants; shirts; vulcanized shoes; canvass shoes; sports shoes; half-boots; slippers; headgear for wear; hosiery; gloves [clothing]; girdles'. These goods are identical to the goods covered by Opposer's CONVERSE marks, including clothing, headwear, T-shirts, shirts, sweatshirts, sweatpants, pants, trousers, shorts, jackets, wind-resistant jackets, coats, anoraks, pullovers, jumpers, sweaters, camisole, jerseys, socks, polo shirts, gloves, scarves, underwear, bras, swimsuits, dresses, skirts, sweatbands, wristbands, vests, blazers, ties, warm-up suits, athletic uniforms, belts, caps, hats, visors, headbands, and footwear. Interestingly, the CUTBSP SPORT SUPPLIES mark is also specifically sought to be registered with respect to canvas shoes, which are the type of shoes for which Opposer is particularly known. Thus, the goods upon which the competing marks are used are similar and related and flow through similar channels of trade, which only heighten any confusion that may be brought upon consumers.

"18. Confusing similarity may, in fact, have already been extensively perpetrated upon consumers with acts of bad faith on the part of Respondent-Applicant in using Opposer's CONVERSE marks, or parts of them, on its own products or to refer to its own products. In fact, Respondent-Applicant is shown to apply for registration of and use other variants of its CUTBSP SPORTS SUPPLIES mark, which also adopt one of the dominant features of the CONVERSE marks, i.e., a star in circle design, in the market. It appears that whatever variation of its mark Respondent-Applicant seeks to register, curiously, the star in circle design, famously associated with the CONVERSE marks, is retained. Below are some examples of bad faith use:

x x x

"19. By the above, it becomes plainly evident that Respondent-Applicant seeks to project a similar image or brand as Opposer's CONVERSE marks specifically to ride on and reap the benefits of the CONVERSE marks' popularity and renown among consumers. It bears emphasis that despite the many ways to present a mark, Respondent-Applicant chose one that is highly similar to Opposer's CONVERSE marks for goods that are identical to Opposer's, particularly, footwear. It also chose to place its mark on an area in which Opposer's CONVERSE ALL STAR Ankle Patch Design mark is likewise placed on its footwear, near the ankle area.

"20. In this regard the observation of the Philippine Supreme Court in *Converse Rubber Corporation v. Universal Rubber Products, Inc.* (147 SCRA 155), involving Opposer and its marks, cannot be more accurate: 'A boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive.' In this case, Respondent-Applicant adopted a similar looking design for its mark, which it positioned similarly on its footwear products, the same way that opposer does its own CONVERSE ALL STAR Ankle Patch Design mark. There is no other logical inference but that Respondent-Applicant's intention for registration of its mark is not to distinguish its own products from others, but particularly to associate its goods and ride on the established goodwill and reputation of Opposer's CONVERSE marks.

"21. Further, in the same case, the Court rejected the application for registration for the mark UNIVERSAL CONVERSE AND DEVICE, holding that it was confusingly similar to Opposer's CONVERSE ALL STAR Ankle Patch Design mark, to wit:

x x x

"22. While there may be minimal dissimilarities between Opposer's mark and Respondent-Applicant's mark, it is relevant to note that in *Skechers USA, Inc. v. Inter Pacific Industrial Trading Corp., et. al.* (G.R. No. 164321, March 23, 2011), the Supreme Court held that while there may be dissimilarities between petitioner's and respondent's marks, 'this Court cannot close its eye to the fact that for all intents and purpose, respondent had deliberately attempted to copy petitioner's mark and overall design and features of the shoes. Let it be remembered, that defendants in cases of infringement do not normally copy but only make colorable changes. The most successful form of copying is to employ enough points of similarity to confuse the public, with enough points of difference to confuse the courts.' As further held by the Supreme Court in *Del Monte Corporation and Philippine Packing Corporation v. Court of Appeals, et. al.* (G.R. No. L-78325, January 25, 1990), '[t]he question is not whether the two articles are distinguishable by their label when set side by side but whether the general confusion made by the article upon the eye of the casual purchaser who is unsuspecting and off his guard, is such as to likely result in his confounding it with the original. As observed in several cases, the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade and giving the attention such purchasers usually give in buying that class of goods is the touchstone.' For sure, for Respondent-Applicant, the deliberate use of the distinctive characteristics of Opposer's CONVERSE marks such as the star and star in circle design, already sufficiently accomplish for it its deceitful purpose.

"23. Opposer's CONVERSE marks should be protected as well-known trademarks under Article 16 of the TRIPS Agreement, which provides:

x x x

"24. Under the Rules and Regulations issued by the IPO, the criteria for determining whether a mark is well-known is as follows:

x x x

"25. As extensively discussed above, Opposer has clearly sufficiently met the foregoing criteria through its extensive registrations, proof of use, promotion and/or advertising, which resulted in knowledge of the CONVERSE marks by the relevant sector of the consuming public not only in the Philippines but all over the world. Opposer has presented continuing commercial use of the CONVERSE marks in the form of sample commercial invoices, advertising expenses, sample advertising and promotional materials in and outside the Philippines, and such other evidence that clearly prove the international renown and prior use of its CONVERSE marks.

"26. In any case, in *Converse Rubber Corporation v. Universal Rubber Products, Inc.* (147 SCRA 155), the Supreme Court held that 'CONVERSE' has grown to be identified with [Opposer's] products, and in this sense, has acquired a second meaning within the context of trademark and tradename laws.' It likewise confirmed the use of Opposer's marks more than two decades before Respondent-Applicant's filing of its application for registration of its confusingly similar CUTBSP SPORT SUPPLIES mark. In such case, the Court held:

x x x

"27. There is no doubt that Opposer will be prejudiced by the registration of CUTBSP SPORT SUPPLIES as follows:

x x x

"28. In *Del Monte Corporation and Philippine Packing Corporation v. Court of Appeals, et. al.* (G.R. No. L-78325m January 25, 1990), it was held that 'the ultimate ratio in cases of grave doubt is the rule that as between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.'

"29. The foregoing discussion has more than sufficiently established that Respondent-Applicant intends to trade and is in fact trading on Opposer's goodwill. Respondent-Applicant's mark uses the same star in circle design of Opposer's CONVERSE marks for its own mark for use on goods belonging to the same class of which Opposer's CONVERSE marks are used. This exhibits malevolent bad faith and fraud on the part of Respondent-Applicant in seeking to register its CUTBSP SPORT SUPPLIES mark. There should be no doubt thus that this present action be sustained.

The Opposer's evidence consists of the Notice of Opposition; the affidavit of Jaime Lemons, Manager of All Star C.V. [NL]; a copy of the certificate from Jeanine Hayes dated February 6, 2015 and a copy of the Special Power of Attorney in favor of Sycip Salazar Hernandez & Gatmaitan.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 26 March 2015. Said Respondent-Applicant, however, did not file an Answer.

⁴Marked as Annexes "A" to "D".

Should the Respondent-Applicant be allowed to register the trademark CUTBSP SPORT SUPPLIES?

The Opposer anchors its opposition on Section 123.1, paragraphs (d), (e) and (f) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. - 123.1. 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;"

- (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 service 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;

Records show that at the time the Respondent-Applicant filed his trademark application on 22 August 2014, the Opposer has existing trademark registration for CONVERSE ALL STAR & CHUCK TAYLOR & DESIGN under Trademark Reg. No. 046782 issued on 03 November 1989. The registration covers "footwear" in Class 25. This Bureau noticed that the goods covered by the Respondent-Applicant's trademark application is identical and/or closely-related to the Opposer's.

Hence, the question, does CUTBSP SPORT SUPPLIES resemble Opposer's trademark CONVERSE ALL STAR & CHUCK TAYLOR & DESIGN such that confusion or deception is likely to occur? The competing marks are shown below:



Opposer's trademark



Respondent-Applicant's mark

Respondent-Applicant's mark CUTBSP SPORT SUPPLIES contains the dominant features of Opposer's trademark CONVERSE ALL STAR & CHUCK TAYLOR & DESIGN, i.e., a star within a circle, with the name of the brand arching over the star. The fact that the Respondent-Applicant's mark consists of the words CUTBSP SPORT SUPPLIES and not the words CONVERSE ALL STAR is of no moment. The distinctive feature of both marks is the STAR WITHIN A CIRCLE. Respondent-Applicant's mark application covers goods that are similar to the Opposer's, particularly, shoes or footwear in Class 25. The STAR WITHIN A CIRCLE, with the name of the brand arching over the star is creative and unique and thus, highly distinctive, for goods under Class 25. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin or that the parties are connected or associated with one another, when in fact they are not.

Public interest therefore requires, that 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 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.⁵

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 combinations of letters and designs available, the Respondent-

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Eihepa v. Director of Patents*, *supra*, *Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

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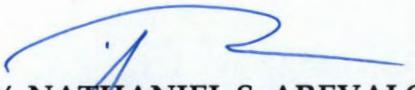
Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁶

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. 4-2014-010562 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, 22 JUN 2016.



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

⁶ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.