

CAR SHOE, S.A.,
Opposer,

-versus-

RISHI N. MIRANI,
Respondent- Applicant.

x-----x

IPC No. 14-2011-00207
Opposition to:
Appln. No. 4-2010-001548
Date Filed: 11 February 2010
TM: "CAR SHOE"

NOTICE OF DECISION

ORTEGA DEL CASTILLO BACORRO
ODULIO CALMA & CARBONELL
Counsel for Opposer
5th & 6th Floors, ALPAP 1 Bldg.
No. 140 L.P. Leviste St., Salcedo Village
Makati City


RISHI N. MIRANI
Respondent-Applicant
Kampri Building
2254 Don Chino Roces Avenue
Makati City

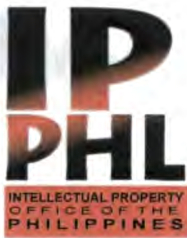
GREETINGS:

Please be informed that Decision No. 2016 - 198 dated June 27, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 27, 2016.

For the Director:


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



CAR SHOE, S.A.,

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-versus-

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IPC No. 14-2011-00207

Opposition to:
Application No. 4-2010-001548
Date Filed: 11 February 2010
Trademark: "CAR SHOE"

Decision No. 2016- 198

DECISION

CAR SHOE, S.A.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-001548. The application, filed by Rishi N. Mirani² ("Respondent-Applicant") covers the mark "CAR SHOE" for use on "sunglasses" under Class 09, "jewelry, watches" under Class 14, "purses, wallets, belt, handbags" under Class 18, "lingerie, scarves, hats, accessories for children & accessories for men namely: raincoats, caps, visor, headband, socks, shoes, slippers, sneakers, gloves, necktie, suspender, swimwear, cardigan, sandals, and belts not made of leather" under Class 25 and "hair accessories" under Class 26 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"The facts and grounds for the opposition are as follows:

"1. Opposer is the owner of the internationally known name CAR SHOE. Respondent's adoption of the words CAR SHOE as its trademark under Philippine Trademark Application NO. 4-2010-001548 therefore violates Opposer's right to the CAR SHOE trade name.

"1.1. In 2001, CAR SHOE, S.A. was established in Luxembourg.

"1.1.1. The name CAR SHOE has been exclusively used by Opposer as its trade name in its businesses in Europe and Asia.

"1.1.2. In 2001 CAR SHOE, S.A. put up CAR SHOE Italia srl, which is engaged in the distribution and retail of shoes and accessories under the CAR SHOE AND DEVICE mark.

¹A corporation duly organized and existing under the laws of Luxembourg, with principal office at Rue Aldringen 23 1118 Luxembourg.

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

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.

"1.1.3. In 2001 CAR SHOE Singapore pte ltd and CAR SHOE Hong Kong ltd were established. These companies are the retail arms of CAR SHOE, S.A. in the Asian region.

"1.2. Under Section 165.2 (a) and (b) of the Intellectual Property Code (IP Code) trade names shall be protected against any subsequent use of a third party, when such use will likely mislead the public, to wit:

x x x

"1.3. Opposer also cites Article 8bis of the Paris Convention ('Convention'), to wit:

x x x

"2. Opposer is also the owner of the internationally well-known mark CAR SHOE AND DEVICE. The brand CAR SHOE AND DEVICE was established in 1963 by car enthusiast and designer Gianni Mostile.

"2.1. Gianni Mostile was a passionate fan of race cars and shoes. This led him to develop a moccasin with a soft sole with tiny rubber nubs. His invention earned him a patent from the Italian Ministry of Industry and Trade in (year).

"2.2. The products bearing the mark CAR SHOE AND DEVICE were first sold in Italy in 1963 and internationally subsequently.

"2.3. Soon after it was introduced into the market, the products bearing the mark CAR SHOE AND DEVICE developed a strong following from lovers of cars and fashionable shoes. Among the devoted clients of the CAR SHOE brand were Giovanni Agnelli, John F. Kennedy, Roberto Rosellini and Lapo Elkann.

"2.4. Due to the unwavering fame of the CAR SHOE AND DEVICE brand, Prada Group bought a stake in CAR SHOE, S.A. in 2001. Prada has since adopted an aggressive approach in the brand's international marketing and expansion.

"2.4.1. In the following years, Opposer opened two flagship stores in Milan and Capri.

"2.4.2. In 2003, a total of 200 major CAR SHOE AND DEVICE boutiques were opened by Prada in countries such as Italy, Singapore and Hong Kong.

"2.4.3. In 2004, the first line of hand bags bearing the mark CAR SHOE AND DEVICE was launched.

"2.4.4. Under Prada's tutelage, the traditional driving shoe with the CAR SHOE AND DEVICE was made available in a wide range of colors and materials. A children's line bearing the mark CAR SHOE AND DEVICE was also introduced.

"2.4.5. In 2010, Opposer opened its flagship stores for the products CAR SHOE in Asia in the fashionable districts of Hong Kong and Singapore.

"2.5. Because of the fame and renown of the name CAR SHOE and the mark CAR SHOE AND DEVICE, CAR SHOE has become one of the six most counterfeited brands in the Chinese market.

"2.6. The products bearing the mark CAR SHOE AND DEVICE have been sold and patronized internationally. The marks have produced huge revenues for the Opposer. The global annual sales contributed to the CAR SHOE AND DEVICE products amount to 17,000,000.00 (US\$21,000,000.00) in 2005. A 180% increase from its 6,000,000.00 (US\$7,500,000.00) revenues in 2004. In fact, the sales for the CAR SHOE AND DEVICE products continue to soar. In 2008, the global sales for CAR SHOE AND DEVICE reached 34,300,000.00, a 33% increase from its 25,000,000.00 worldwide revenue in 2007.

"2.7. The mark CAR SHOE AND DEVICE and the shoes bearing the mark have also been aggressively advertised and promoted worldwide.

"2.7.1. The CAR SHOE AND DEVICE products have been regularly featured in the international magazines such as GQ and Vogue.

"Photos and printouts from magazines, promotional materials and advertisements bearing the CAR SHOE AND DEVICE mark as used internationally over the years are attached x x x

"2.7.2. The web is also used as a powerful marketing tool by Opposer for its CAR SHOE AND DEVICE mark and product.

"Printouts from the website www.carshoe.com, international advertisements and invoices are attached to the Affidavit x x x

"2.8. Moreover, CAR SHOE AND DEVICE is covered by trademark applications and registrations in different countries worldwide. To date, it has more than fifty (50) registrations in a number of countries worldwide.

"A list of the worldwide trademark registrations and applications is attached to the Affidavit x x x

"Certified true copies and photocopies of some of the trademark registrations for CAR SHOE AND DEVICE from the following countries are also attached to the Affidavit:

x x x

"2.8.1. The first trademark application for the mark CAR SHOE AND DEVICE was filed in 1993 in Italy. The first trademark registration for CAR SHOE AND DEVICE was issued by Italy in 1996.

"2.8.2. In the Philippines, an application was filed on February 21, 2011 by Opposer for CAR SHOE AND DEVICE for classes 09, 14, 18, 25 and 26 under Philippine Trademark Application No. 4-2011-500268.

"A printout of Philippine Trademark Application No. 4-2011-500268 as it appears in the Intellectual Property Office (IPO) database is attached to the Affidavit x x x

"3. Respondent, on the other hand, is the applicant for the confusingly similar, if not identical, trademark CAR SHOE AND DEVICE also for classes 09, 14, 18, 25 and 26 under Philippine Trademark Application No. 4-2010-001548. The marks are similar in the following respects:

"3.1. Both marks contain the identical CAR SHOE word mark. Further, CAR SHOE is the dominant element in Opposer's and Respondent's marks.

"3.2. Furthermore, Respondent uses the CAR SHOE mark for identical goods for which Opposer uses its CAR SHOE AND DEVICE trademark.

"3.2.1. Opposer's CAR SHOE AND DEVICE mark is used for shoes and leather products in classes 18 and 25.

"3.2.2. On the other hand, Respondent's CAR SHOE with Philippine Application No. 4-2010-001548 also designates class 18 goods for 'purses, wallets, belt, handbags' and 25 goods specifically 'lingerie, scarves, hats, accessories for children & accessories for men namely: raincoats, caps, visor, headband, socks, shoes, slippers, sneakers, gloves, necktie, suspender, swimwear, cardigan, sandals, and belts not made for leather.'

"A printout of Philippine Trademark Application No. 4-2010-001548 as it appears in the Intellectual Property Office (IPO) database is attached x x x

"3.3. The goods designated in Opposer's CAR SHOE AND DEVICE in classes 09, 14 and 26 are related if not identical to those designated in Respondent's CAR SHOE mark in classes 09, 14 and 26.

"3.3.1. Respondent's CAR SHOE mark also designates 'sunglasses' in class 09, 'jewelry, watches' in class 14 and 'hair accessories' in class 26.

"3.3.2. A comparison of Opposer's and Respondent's goods in classes 09, 14 and 26 is provided below:

x x x

"3.4. Given the facts and evidence provided, Opposer's CAR SHOE AND DEVICE mark may be considered as internationally well-known. Hence, under Section 123.1 (e) of the Code, Respondent-applicant's CAR SHOE mark cannot be registered:

x x x

"3.5. Opposer likewise invokes and relies on Article 6bis of the Convention, which reads in part as follows:

x x x

"3.6. Respondent-applicant's use of the identical, if not confusingly similar, mark CAR SHOE for classes 09, 14, 18, 25 and 26 and will falsely and misleadingly indicate a connection between Respondent's goods and Opposer's CAR SHOE AND DEVICE mark, or Opposer's name CAR SHOE and Respondent's goods. Such use will likely mislead the public into believing that Respondent is associated with, or that its goods are sponsored by Opposer.

"4. Clearly, Respondent-Applicant's application for the registration of the identical mark CAR SHOE is tainted with bad faith.

"4.1. Opposer's mark CAR SHOE AND DEVICE is well-known. Products bearing the mark CAR SHOE AND DEVICE have been widely sold, distributed and promoted internationally through magazines, the internet, and other media, which are accessible to the public, including competitors such as herein Respondent.

"4.2. Respondent is obviously also engaged in the same sale or distribution of shoes, garments and fashion accessories. Hence, it is impossible for respondent not to have known of Opposer's CAR SHOE AND DEVICE mark, which has been used by Opposer internationally for many years, and which is promoted through magazines and the internet. Moreover, as an entrepreneur engaged in sale and distribution, Respondent would have surely encountered Opposer's mark CAR SHOE AND DEVICE and products in his international travels to Europe and Asia.

"4.3. Out of the whole gamut of words available, Respondent chose to adopt the exact trademark CAR SHOE to designate identical goods in classes 18 and 25 and similar goods in classes 09, 14 and 26, thereby betraying Respondent's manifest intent to ride on the popularity of Opposer's internationally well-known mark CAR SHOE AND DEVICE, and to capitalize on the goodwill associated with the mark.

The Opposer's evidence consists of the Affidavit of Ms. Murielle Vincenti, proxy holder, legal representative and I.P. Director of CAR SHOE S.A.; printouts of the following websites: (a) <http://www.carshoe.com/pdf/CarShoeSingapore%201onOpening-eng.pdf>; (b) <http://www.carshoe.com/pdf/Car-Shoe-Rome-Opening.pdf>; and (c) <http://www.butterboom.com/2010/10/21/car-shoe-opens-hongkong-store/>; a printout of the website <http://www.pradagroup.com/assets/pdf/english/Prada%20Group%20Structure.pdf>; printouts of the following websites: (a) <http://www.biographybase.com/biography/Agnelli.Gianni.html>; and <http://www.nytimes.com/2002/07/07/business/intrigue-at-the-palazzo-agnelli.html?ref=giovanniagnelli>; a printout of the website <http://www.whitehouse.gov/about/presidents/johnfkennedy>; printouts of the following websites: (a) [5

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directors/rosselline/; and (b) <http://movies.nytimes.com/person/109008/Roberto-Rossellini/biography>; printout of the following websites (a) http://www.vanityfair.com/style/features/2008/09/bestdressed_slideshow200809?slide=15#slide=15; (b) http://www.vanityfair.com/culture/bestdressed/bestdressed_men; a printout of the website http://www.fashionwiredaily.com/first_word/news/article.weml?id=757; printouts of the following websites: (a) <http://www.vogue.it/en/uomo-vogue/what-and-where-to-buy/2011/02/car-shoe> and <http://www.gq-magazine.co.uk/style/dresser/galleries/shoes/best-driving-shoes/car-shoe>; (1) Printouts from the website www.carshoe.com; (2) a CD-ROM containing the soft copies of the printouts of the website www.carshoe.com, and international invoices for CAR SHOE AND DEVICE products; and (3) Printouts from the CD-ROM; a list of the worldwide trademark registrations and applications for CAR SHOE AND DEVICE; copy of Certificate of Registratoin No. 721142 for CAR SHOE AND DEVICE; copy of Hong Trademark Registration No. 02681 for CAR SHOE AND DEVICE; copy of Singapore Trademark Registration No. T9802757H for CAR SHOE AND DEVICE; copy of the United States of America Trademark Registration No. 3202279 for CAR SHOE AND DEVICE; certification issued by Ms. Murielle Vincenti, the legal representative and I.P. Director of CAR SHOE S.A. that the attached trademark registrations are certified copies of the originals; copy of Philippine Trademark Application No. 4-2011-500268 for CAR SHOE AND DEVICE as it appears in the Intellectual Property Office (IPO) database; and copy of Philippine Trademark Application No. 4-2010-001548 for CAR SHOE as it appears in the Intellectual Property Office (IPO) database.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 20 May 2011. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark CAR SHOE?

The Opposer anchors its opposition on Sections 123.1, paragraph (6), 165.2 (a) and (b) 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

- (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*

⁴Marked as Exhibits "A" to "B", inclusive.

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;

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.

The marks are shown below:



CAR SHOE

Opposer's trade name

Respondent-Applicant's mark

As can be readily observed with a side-by-side comparison of the competing marks, Respondent-Applicant's mark CAR SHOE is not only similar, but is identical with Opposer's CAR SHOE AND DEVICE trademark. Except with the use of the wheel device and parallel lines, the two marks are perfectly identical. Also, the Respondent-Applicant uses or will use the mark on goods that are exactly the same as the goods the Opposer deals in, goods in Classes 18, 25, 26, 9 and 14. Thus, it is likely that the consumers will have the impression that these goods 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:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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. Here, 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.⁵

⁵ Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.



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.⁶

Records show that Opposer's filing of their Philippine trademark application for CAR SHOE on 11 February 2010 preceded the Respondent-Applicant's trademark application in the Philippines, but Opposer raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

In this regard, this Bureau emphasizes that 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 of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 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.

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.⁷ 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

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa 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).

⁷ See Sec. 236 of the IP Code.

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*⁸, 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 the R.A. 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, 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. 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. 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 originator and owner of the contested mark. In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend their trademark application and to explain how he arrived at using the mark CAR SHOE which is exactly the same as the Opposer's. It is incredible for the Respondent-Applicant to have come up with exactly the same mark for use on similar goods by pure coincidence.

Also, Opposer has been using CAR SHOE as trade name or business name since 2001 in Luxembourg. As a trade name, CAR SHOE is protected under Section 165 of the IP Code, to wit:

Sec. 165. *Trade Names or Business Names.* - 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

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.

⁸ G.R. No. 183404, 13 Oct. 2010.

165.3. The remedies provided for in Sections 153 to 156 and Sections 166 and 167 shall apply mutatis mutandis.

165.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Subsections 149.2 to 149.4 shall apply mutatis mutandis.

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-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 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. 4-2010-001548 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, 27 JUN 2016.


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 Feb. 1970.