

VANS, INC.,
Petitioner,

-versus-

CONGYAN SHI,
Respondent- Registrant.

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}
} IPC No. 14-2013-00007
} Petition for Cancellation of:
} Reg. No. 4-2010-750043
} Date Issued: 24 March 2011
} TM: "VANSTAR AND LOGO"
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NOTICE OF DECISION

BETITA CABILAO CASUELA SARMIENTO

Counsel for the Petitioner
Suite 1104, Page One Building
1215 Acacia Avenue
Madrigal Business Park
Ayala Alabang, Muntinlupa City

CLARENCE CLIFFORD K. DE GUZMAN

Counsel for Respondent-Registrant
146 Tenth Street New Manila
Quezon City

GREETINGS:

Please be informed that Decision No. 2016 - 187 dated June 22, 2016 (copy enclosed) was promulgated in the above entitled case.

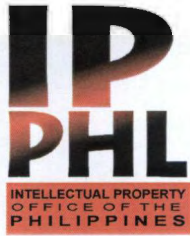
Taguig City, June 22, 2016.

For the Director:

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,
Taguig City 1634 Philippines • www.ipophil.gov.ph
T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph



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DECISION

VANS, INC.¹ ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2010-750043. The registration issued to CONGYAN SHI² ("Respondent-Registrant"), covers the mark "VANSTAR" for use on "shoes and sandals" under Class 25 of the International Classification of Goods.³

The Petitioner alleges the following:

"1. The registration of the **VANSTAR AND LOGO** should be cancelled for being contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines (IP Code), as amended, which prohibits the registration of a mark that:

x x x

"2. Petitioner is the owner and prior user of the well-known **VANS VANS**, and **V** marks (collectively, VANS MARKS) which are registered and used on footwear products in Class 25, among others.

"3. Petitioner owns registrations of the VANS MARKS in numerous jurisdictions worldwide. In the Philippines, Petitioner has registered the VANS MARKS as well as related marks under the following details:

x x x

"4. Respondent's VANSTAR AND LOGO mark is confusingly similar to the Petitioner's well-known VANS MARKS as to likely to deceive or cause confusion, if it has not already deceived or caused confusion.

"4.1. The component 'VANS' in Respondent's VANSTAR AND LOGO mark is identical in terms of appearance, spelling and pronunciation to the Petitioner's well-known and registered VANS mark.

¹ A foreign corporation organized and existing under the laws of Delaware U.S.A. with address at 6550 Katella Avenue, Cypress, California 90630.
² A resident here in the Philippines with address at 889 Wholesale Center Mall, Baclaran, Pasay City
³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

"4.2. The design of Respondent's  mark also closely resembles the Petitioner's well-known and registered 

"4.3. The registration and use of the Respondent's VANSTAR AND LOGO mark on 'shoes and sandals' in class 25 under which the Petitioner's VANS MARKS are used and registered will likely deceive, if they have not already deceived consumers by suggesting a connection, association or affiliation with the Petitioner, thereby causing substantial damage to the goodwill and reputation associated with the VANS MARK.

"5. Hence, the continued registration of the Respondent's mark is contrary to Section 123.1 (d) of the IP Code in relation to Section 3 of the IP Code and Article 2 of the Paris Convention for the Protection of Industrial Property.

"6. The Petitioner is entitled to the benefits granted to foreign nationals under Section 3 of the IP Code, which provides:

x x x

"7. The Petitioner's VANS MARKS are well-known and world famous. Hence, the continued registration of the Respondent's mark constitutes a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Section 3, 123.1 (e) and 123.1 (f) of the IP Code;

"8. Petitioner has used the VANS MARKS in the Philippines and elsewhere prior to the filing date of the trademark subject of this cancellation. The Petitioner continues to use the VANS MARKS in the Philippines and in numerous other countries worldwide.

"9. The Petitioner has also extensively promoted the VANS MARKS worldwide. Over the years, the Petitioner has obtained significant exposure for the goods and services upon which the VANS MARKS are used in various media, including television commercials, outdoor advertisements, internationally well-known print publications and other promotional events. The Petitioner also maintains an Internet site at the domain name www.vans.com which is accessible to internet users worldwide including those from the Philippines.

"10. Respondent's VANSTAR AND LOGO mark, which is confusingly similar to the Petitioner's well-known and registered VANS MARKS, was applied for registration in evident bad faith, with prior knowledge of the Petitioner's rights to the VANS MARKS and with intention to ride on the fame, established reputation, and goodwill of the Petitioner's VANS MARKS. Respondent's mark copies the dominant elements of the Petitioner's VANS MARKS. Respondent knew or ought to have known Petitioner's prior and exclusive rights to the well-known and registered VANS MARKS. Hence, the Respondent's bad faith precludes the ripening of a right to the mark in his favor. xxx

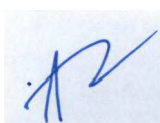
"11. Based on the foregoing, the registration of the VANSTAR AND LOGO mark was obtained fraudulently or in bad faith by the Respondent, and is thus a proper subject of cancellation under the provisions of Section 151.1 (b), Republic Act No. 8293, which provides:

x x x

"12. Petitioner has not consented to the Respondent's use and registration of the VANSTAR AND LOGO mark, or any other mark identical or similar to the Petitioner's well-known and registered VANS MARKS.

"13. The registration and use by the Respondent of the VANSTAR AND LOGO mark in connection with the 'shoes and sandals' in class 25 which are identical to the products on which the VANS MARKS are used and/or registered by the Petitioner in connection with its business, will mislead, it has not already misled, the purchasing public into believing that the Respondent's goods are produced by, originate from, under the sponsorship of the Petitioner. Damage and further potential damage to the Petitioner will be caused, it it has not already caused damage, as a result of Petitioner's inability to control the quality of the products offered or put on the market by the Respondent under the VANSTAR AND LOGO mark.

"14. The registration and use by Respondent of the VANSTAR AND LOGO mark in relation to the goods in class 25, being identical to the Petitioner's products on which the VANS MARKS are used, will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Petitioner's well-known



VANS MARKS. Although Respondent has in his disposal a myriad of words and symbols to choose from, Respondent opted to employ the confusingly similar VANSTAR AND LOGO mark for use on identical footwear products, thereby expressing plan and design to exploit the goodwill associated with the Petitioner's well-known VANS MARKS.

"15. The cancellation of the registration for the VANSTAR AND LOGO mark is authorized under the provisions of the IP Code."

Petitioner's evidence consists of the following:

1. Legalized Affidavit of Ms. Jennifer L. Dirks;
2. Representative samples of materials used in promoting the VANS marks;
3. Table showing the details of the applications and/or registrations for the VANS marks worldwide;
4. Certified copy of certificates of registration for the VANS mark issued in Australia, Canada, France, Hong Kong, Japan, United Kingdom and U.S.A.;
5. Affidavit of Wendell Cunanan;
6. Table of all stores in the Philippines selling VANS products;
7. Photographs and /or samples of materials used in the marketing and promotions of VANS in the Philippines;
8. Computer printout of trademark details report for VANS under Registration No. 4-1990-071139 from IPOPHL Trademark Database;
9. Computer printout of trademark details report for VANS under Registration No. 4-2001-001708 from IPOPHL Trademark Database;
10. Computer printout of trademark details report for VANS under Registration No. 4-2006-003559 from IPOPHL Trademark Database;
11. Computer printout of trademark details report for VANS under Registration No. 4-2011-015275 from IPOPHL Trademark Database;
12. Computer printout of trademark details report for VANS under Registration No. 4-1989-067644 from IPOPHL Trademark Database.
13. v Computer printout of trademark details report for VANS under Registration No. 4-1990-073024 from IPOPHL Trademark Database;
14. Computer printout of trademark details report for VANS FLYING V LOGO under Registration No. 4-2011-015276 from IPOPHL Trademark Database;
15. Computer printout of trademark details report for VANS under Registration No. 4-1999-004914 from IPOPHL Trademark Database
16. Computer printout of trademark details report for FLYING V LOGO under Registration No. 4-2011-015285 from IPOPHL Trademark Database;
17. Computer printout of trademark details report for V IN A CIRCLE LOGO under Registration No. 4-2011-015287 from IPOPHL Trademark Database;
18. Computer printout of trademark details report for VANS OFF THE WALL SKATEBOARD LOGO under Registration No. 4-2011-015290 from IPOPHL Trademark Database; and
19. Legalized Officer's Certificate and Power of Attorney.

This Bureau issued on 31 January 2013 a Notice to Answer and personally served a copy thereof to the Respondent-Registrant on 14 February 2013. After a motion for extension, Respondent filed his Answer on 03 April 2013 alleging the following:

"A. There will be no confusion as there are vast dissimilarities between the contending trademarks as regards the visual attributes specifically the representation style and size in the lettering;

"B. The trademark is not confusingly similar with that of the Opposer. The spelling, sound and meaning of the trademark is different from the applicant;

"C. The trademark 'VANSTAR AND LOGO' is a fanciful and arbitrary trademark which has no dictionary meaning and should be treated in its entirety and not dissected word for word it is neither generic nor descriptive."

Respondent-Registrant's evidence consists of the following:

1. Sample of VANSTAR actual label;
2. Photographs of shoes bearing the mark VANSTAR AND LOGO;
3. Sample shoe box bearing the VANSTAR AND LOGO mark.

On 08 July 2013, the preliminary conference was terminated and the parties were directed to submit position paper. Only Petitioner submitted its Position Paper on 18 July 2013.

Should Trademark Registration No. 4-2010-750043 for the mark VANSTAR AND LOGO be cancelled?

Section 138 of the Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides, to wit:

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 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.

A certificate of registration is merely prima facie evidence of the validity of registration, as such it may be challenged and canceled and the presumption can be overcome, in an appropriate action, by proof of the nullity of the registration.

In this regard, Section 151 of the IP Code provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or *its registration was obtained*

fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used. Xxx

Petitioner applied for registration of its mark VANS as early as April 1989. Its earliest registration of its mark VANS was issued way back in 2006. In the United States of America, Petitioner's use of the mark VANS dates back to 1966 and was registered in 1985. On the other hand, Respondent's Trademark Registration No. 4-2010-750043 for its VANSTAR AND LOGO mark was issued on 24 March 2011.

But is Respondent-Registrant's mark VANSTAR AND LOGO validly registered under the IP Code?

Section 123.1 (d) of the IP Code provides for the grounds for registration of a mark, to wit:

Section 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.

The marks of the parties are herein reproduced for comparison:

VANS

VANS



Petitioner's Marks



Respondent-Registrant's Mark

Petitioner mark consists of the word VANS written in a plain upper case letters. It also has a registered mark which consists of a VANS FLYING V LOGO and the FLYING V LOGO. On the other hand, Respondent's mark consists of the word VANSTAR written downward; two horizontal line before the small letter "V" of the word "VANSTAR"; another two horizontal lines connected to a straight bar touching the letter "R" of the word "VANSTAR". As can be observed, Respondent adopted the Petitioner's "VANS" mark and merely added the letters "TAR" to form the mark "VANSTAR". As such Respondent's mark is confusingly similar to Petitioner's as to be likely to deceive, cause confusion or mistake on the part of the purchaser. In addition, while it may seem that Respondent's mark differs from Petitioner's in so far as it is

differently presented, a comparison of Respondent's mark to the latter's would show that Respondent combined Petitioner's marks and tweaked or modified the same to make it appear different than Petitioner's. Again, it can be perceived that Respondent also adopted the FLYING V LOGO of Petitioner.

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 other⁴. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name 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 article⁵.

Further, it is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁶ The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court: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. 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.

In this case, the goods to which the parties use their respective marks are also similar or related as the marks are used on "shoes, sandals and slippers". Because of the similarity of the marks and the goods upon which the marks are used, it will likely cause confusion, mistake or deception on the part of the public that the goods of Respondent-Registrant are manufactured by or sourced from Petitioner or vice versa. Thus, the registration of Respondent's mark is invalid for being violative of the IP Code.

⁴ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

⁵ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

⁶ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

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



In *Berris v. Norvy Abdayang*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 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. 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. [Emphasis supplied.]

Prescinding from the above, it is not the application or registration of the mark which confers ownership. "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."⁹ Thus, while the certificate of registration issued to Respondent for its mark VANSTAR AND LOGO creates a *prima facie* presumption of the validity of registration and ownership thereof, such presumption can be controverted by evidence on the contrary. In this case, Petitioner was able to prove that the mark subject of the controversy was not validly registered or was registered in contravention of the law and will cause damage or prejudice to the rights or interests.

Moreover, fraud or bad faith is evident in this case because the parties belong to the same industries and that they deal with similar/related goods or products. Petitioner has been selling VANS shoes since 1987 and it is popular among consumers who like wearing sneakers. It is very hard to accept that Respondent-Registrant does not know of the existence of Petitioner's product in the market. As such, it can be surmised that because of the popularity of Petitioner's shoes, Respondent designed a confusingly similar mark in order to ride on the popularity of Petitioner's goodwill and reputation.

⁸ G.R. No. 183404, October 13, 2010.

⁹ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2013.


Succinctly, the registration of the Respondent's VANSTAR AND LOGO mark, which is confusingly similar to Petitioner's VANS mark adopted and used prior to that of the Respondent's, is contrary to the provisions of the IP Code. The maintenance of Respondent-Registrant's mark in the Trademark Register is damaging and prejudicial to the best interest of the Petitioner. Thus, its cancellation is warranted.

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.¹⁰

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Reg. No. 4-2010-750043 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

¹⁰ *Supra* note 5.