



FACTON, LTD.,
Opposer,

-versus-

GENALIE RACAZA HONG,
Respondent- Applicant.

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} **IPC No. 14-2011-00206**
} Opposition to:
} Appln. Serial No. 4-2010-011908
} Date Filed: 03 November 2010
} **TM: "GS-ONE AND DESIGN"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 204 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 30, 2016.

For the Director:

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



INTELLECTUAL PROPERTY
OFFICE OF THE
PHILIPPINES

FACTON, LTD.,

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-versus-

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IPC No. 14-2011-00206

Opposition to:

Application No. 4-2010-011908

Date Filed: 03 November 2010

Trademark: "GS-ONE
AND DESIGN"

Decision No. 2016- 204

DECISION

FACTON, LTD.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-011908. The application, filed by Genalie Racaza Hong² ("Respondent-Applicant"), covers the mark "GS-ONE AND DESIGN" for use on "jeans, t-shirts, polos, pants, skirts, shorts, blouse, childrens wear namely: pajamas, jumpers, jackets & sando, shoes, sandals & socks" under Class 25 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"The grounds for the opposition to the registration of the trademark are as follows:

"1. Opposer, Facton Ltd., and/or its predecessor (the 'Opposer') is the originator, prior user and rightful owner of the trade name and trademarks G-STAR (OUD) LOGO, G G-STAR RAW (LOGO), G-STAR, G G-STAR LOGO, G-STAR INSIDE A STRETCHED LETTER G ENCLOSED IN A RECTANGLE (hereinafter collectively referred to as the 'G-STAR Trademarks') for a wide variety of goods and services in Classes 9, 18, 25, 35, and 41 in at least 30 countries and territories around the world and which G-STAR Trademarks have become world famous not only in Europe, but also in Asia.

"2. By virtue of the Opposer's prior and continued use of the G-STAR Trademarks worldwide, and the large amount spent by Opposer in advertising the same, said G-STAR Trademarks have acquired valuable goodwill among consumers who have identified Opposer's marks as the source of the products bearing said trademarks.

"3. The opposed trademark GS-ONE AND DESIGN applied for by Applicant is confusingly similar to the G-STAR Trademarks of the Opposer, particularly

¹A corporation organized and existing under the laws of Hungary, with principal office at Strawinskyiaan 3105, 1077 ZX Amsterdam, The Netherlands.

²With address at No. 5 Jasmin St., Araneta Village, Brgy. Potrero, Malabon 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.

the mark G-STAR INSIDE A STRETCHED LETTER G ENCLOSED IN A RECTANGLE which is well known all over the world long before respondent-applicant's unauthorized use in bad faith of said mark. The first registration date of the mark G-STAR in Benelux by Opposer is on 11 August 1994, while first use was in early 1994. Various G-STAR Trademarks have been used over the years by Opposer and has now been registered in almost all countries in the name of Opposer and internationally well-known all over the world, including Europe and Asia.

"4. In fact, the Opposer has likewise registered the G-STAR Trademarks in the Philippines and is the owner of the trade name for goods in International class 25, specifically for 't-shirts, polo, polo shirts, jeans, pants, slacks, shorts, skirts, jackets, sweatshirts, socks, briefs, sandos, bras, panties, stockings, coats, vests, caps, suspender, belts, RTS, jogging suits, swim suits, swimming trunks, shoes, slippers, sandals, boots' and other closely related goods, under Registration No. 4-2002-003766 issued by the Intellectual Property Office of the Philippines on August 1, 2007, long before applicant appropriated the trademark GS-ONE AND DESIGN for 'jeans, t-shirts, polos, pants, skirts, shorts, blouse, childrens wear namely: pajamas, jumpers, jackets & sando, shoes, sandals & socks' in class 25.

"5. Applicant's trademark GS-ONE AND DESIGN so resembles Opposer's G-STAR Trademarks and trade name as to be likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Applicant's goods either come from Opposer or are sponsored or licensed by it.

"6. The registration and use by Applicant of the trademark GS-ONE AND DESIGN will diminish the distinctiveness and dilute the goodwill of Opposer's G-STAR Trademarks, which are arbitrary and well-known trademarks used on Opposer's products.

"7. Applicant appropriated and used the identical and confusingly similar trademark GS-ONE AND DESIGN on her own goods with the obvious intention of misleading the public into believing that its goods bearing said trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the manufacturer of jeans, t-shirts, polos, pants, skirts, shorts, blouse, and a wide variety of goods bearing the G-STAR Trademarks from which Applicant's identical mark GS-ONE AND DESIGN has been copied.

"8. The approval of Applicant's trademark GS-ONE AND DESIGN is based on the false representation that it is the originator, true owner and first user of the trademark, which was merely copied, derived from Opposer's internationally well-known G-STAR Trademarks and trade name.

"9. The registration of the Applicant's mark GS-ONE AND DESIGN will violate the proprietary rights and interests of the Opposer over its G-STAR Trademarks and will therefore cause great and irreparable injury to the Opposer.

"10. Opposer is the first user of the G-STAR Trademarks and trade name in Europe and in numerous countries, including the Philippines, and has established and nurtured such G-STAR Trademarks and made it well-known worldwide. Opposer as rightful owner of the internationally well-known G-STAR Trademarks will be prejudiced

by the unauthorized registration of a confusingly similar mark in the name of the Applicant.

"11. Applicant's appropriation and use of the confusingly similar trademark GS-ONE AND DESIGN infringes upon Opposer's exclusive right to the trade name and registered G-STAR Trademarks, which are well-known trademarks protected under Section 123.1(e), 147 and 165 (2) (a) of the IP Code, Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines adhere.

"12. The registration of the trademark GS-ONE AND DESIGN in the name of the Applicant is contrary to other provisions of the IP Code and is an unlawful use of Opposer's trade name under Section 165 of the IP Code.

"13. To support this opposition, Opposer will prove and rely upon, among other facts, the following:

"a. Opposer owns the G-STAR Trademarks which is a major jeans brand in Europe and in Asia. G-STAR Trademarks is a world-wide brand for jeans and jeans related products.

"b. Opposer adopted and has been commercially using the G-STAR Trademarks and trade name for its goods in Class 25, among others, in more than 30 countries including Europe, USA, Canada, Australia, New Zealand, South Africa, Hong Kong, China, Singapore, Taiwan, Korea, Japan, Philippines, and many more, long before Applicant's unauthorized appropriation of the confusingly similar trademark GS-ONE AND DESIGN.

"c. On various dates sometime beginning as early in 1994 in Benelux, Opposer began using the G-STAR Trademarks over the years. The G-STAR Trademarks was first registered in Benelux in 1994. Said mark has now been registered in the name of Opposer in almost all countries of the world, including countries in Europe and Asia. Opposer has been using the G-STAR Trademarks since 1994 and has filed an application for its registration on 14 May 2004 with this Office, bearing application no. 4-2004-004311, with a claim for convention priority date of 28 November 2003. Said application has been granted and issued a certificate of registration under registration number 4-2004-004311 with registration date of March 25, 2010. The G-STAR Trademarks have been in use by Opposer way before Applicant's alleged first use of the confusingly similar trademark GS-ONE AND DESIGN.

"d. Opposer is the first user and registered owner of the G-STAR Trademarks and trade name in the Philippines. Opposer has also used, registered and applied for the registration of the G-STAR Trademarks and trade name in many other countries worldwide.

"e. Opposer's G-STAR Trademarks are well-known worldwide due to its worldwide use and/or registration in almost all countries. Due to the use of Opposer's G-STAR Trademarks, which is much earlier than that of Applicant's mark GS-ONE AND DESIGN, Opposer's G-STAR Trademarks enjoy a good reputation among purchasers for the high quality and value of their products.

"f. By virtue of the Opposer's G-STAR Trademarks prior and continued use of the worldwide, and the large amounts spent by Opposer in advertising the same, said G-STAR Trademarks have acquired goodwill among consumers who have identified Opposer's marks as the source of the products bearing said trademarks.

"g. Opposer's G-STAR Trademarks are arbitrary trademarks and are entitled to broad legal protection against unauthorized users like Applicant who has appropriated the confusingly similar trademark GS-ONE AND DESIGN for similar or closely related goods (i.e., 'jeans, t-shirts, polos, pants' in Class 25).

"h. Opposer is the first user of the G-STAR Trademarks for the above-mentioned classes of goods. Applicant has appropriated the identical or confusingly similar and derivative trademark GS-ONE AND DESIGN in bad faith for the obvious purpose of capitalizing upon the renown of Opposer's self-promoting trademarks by misleading the public into believing that its foods originate from, or are licensed or sponsored by Opposer.

"i. The mark GS-ONE AND DESIGN being applied for by Applicant is confusingly similar with the trademarks of Opposer and as such, it will definitely deceive the public or cause confusion. Hence, the same cannot be registered pursuant to the provision of Section 123 of the Intellectual Property Code.

"j. The registration and use of an identical or confusingly similar trademark by the Applicant will tend to deceive and/or confuse purchasers into believing that Applicant's products emanate from or are under the sponsorship of Opposer and will damage Opposer's interests for the following reasons:

"i) The Opposer's and Applicant's trademarks are confusingly similar.

"ii) Applicant's unauthorized appropriation and use of the trademark GS-ONE AND DESIGN will dilute the goodwill and reputation of Opposer's G-STAR Trademarks and trade name among consumers.

"iii) Applicant intends to use GS-ONE AND DESIGN on her own products as a self-promoting trademark to gain public acceptability for them through their association with Opposer's popular G-STAR Trademarks and trade name from which Applicant's trademark GS-ONE AND DESIGN has been derived.

"iv) The goods on which the trademarks are used are identical and are sold and advertised to consumers through the same channels of trade.

"v) Applicant intends to trade Opposer's goodwill.

"vii) The registration and use of a confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's G-STAR Trademarks.

"viii) Applicant's mark GS-ONE AND DESIGN is confusingly similar to Opposer's G-STAR Trademarks, such that the use of the mark GS-ONE AND DESIGN on the goods of Applicant would infer that the latter's goods are connected with the products sold by Opposer as to falsely suggest a connection with the existing business of the Opposer, and therefore, constitutes an intent to defraud Opposer and the public.

"k. Opposer encloses herewith four (4) labels specimens of the trademark GS-ONE AND DESIGN.

The Opposer's evidence consists of the affidavit of Johannes Christian de Bil, managing director of Opposer Facton, Ltd. and attached in the said affidavit are the following: a list of trademark registrations for the mark G-STAR and its variants collectively called G-STAR Trademarks; copies of several advertisements for the G-STAR Trademarks; copy of the printouts from the website www.g-star.com; and a list of company 'Milestone' to show that G-STAT Trademarks are world-famous.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 16 June 2011. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark GS-ONE AND DESIGN?

In this regard, the Opposer anchors its opposition on the following provisions of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

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 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;

Sec. 147.*Rights Conferred*. - 147.1. The owner of a registered mark 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 or containers for goods or services which are identical or

⁴Marked as Annexes "A" to "I".

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.

147.2. The exclusive right of the owner of the well-known mark defined in Subsection 123.1 (e) which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: *Provided*, That use of that 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.

Sec. 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.

Records show that at the time the Respondent-Applicant filed his trademark application on 03 November 2010, the Opposer has existing trademark registration for G-STAR INSIDE A STRETCHED LETTER G ENCLOSED IN A RECTANGLE under Trademark Reg. No. 42002-003766 issued on 01 August 2007. The registration covers "t-shirts, polo, polo shirts, jeans, pants, slacks, shorts, skirts, jackets, sweatshirts, socks, briefs, sandos, bras, panties, stockings, coats, vests, caps, suspender, belts, rtw, jogging suits, swim suits, swimming trunks, shoes, clippers, sandals, boots" in Class 25. This Bureau noticed that the goods covered by the Respondent-Applicant's trademark application is identical or closely-related to the Opposer's.

The competing marks, as shown below, are confusingly similar:



Opposer's trademark



Respondent-Applicant's mark

Respondent-Applicant's mark GS-ONE AND DESIGN adopted the dominant feature of Opposer's trademark consisting of the elongated or stretched letter "G". GS-ONE AND DESIGN appears almost the same as Opposer's trademark G-STAR INSIDE A STRETCHED LETTER G ENCLOSED IN A RECTANGLE. Both marks have the elongated letter "G". Respondent-Applicant merely changed the G-STAR inside the stretched or elongated letter "G" to GS-ONE to come up with the mark GS-ONE AND DESIGN. Likewise, the competing marks are used on similar goods,

particularly, clothing or apparel in Class 25. 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

There is strong likelihood of the consumers being misled to believe that the Respondent-Applicant's mark is just a variation of the Opposer's.

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 article as his product.⁶

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.⁷

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.

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

⁶ *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).

⁷ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-011908 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, 30 JUN 2016.


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