

STELLA MCCARTHEY LIMITED

Opposer,

-versus-

MELILEA FRANCHISE (M) SDN. BHD.,

Respondent- Applicant.

X-----X

IPC NO. 14-2012-00079

Opposition to:
App. Ser. No. 4-2010- 006584
Date Filed: 18 June 2010

TM: ST ELLA

NOTICE OF DECISION

QUISUMBING TORRES

Counsel for Opposer
12/F Net One Center
26th Street corner 3rd Avenue
Crescent Park West, Bonifacio Global City
Taguig City

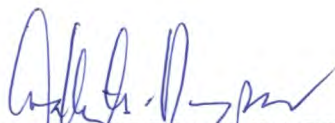
CARAG JAMORA SOMERA & VILLAREAL

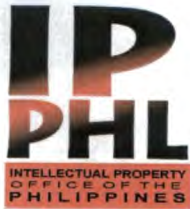
Law Offices
Counsel for Respondent-Applicant
2/F, The Plaza Royale
120 L.P. Leviste Street, Salcedo Village
Makati City, Metro Manila

GREETINGS:

Please be informed that Decision No. 2016 - 292 dated 30 August 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 30 August 2016.


Atty. **MARLITA V. DAGOSA**
Adjudication Officer
Bureau of Legal Affairs



STELLA MCCARTHEY LIMITED }
 Opposer, }
 }
 -versus- }
 }
MELILEA FRANCHISE (M) SDN. BHD., }
 Respondent- Applicant. }
 x-----x

IPC NO. 14-2012-00079
 Opposition to:
 App. Ser. No. 4-2010- 006584
 Date Filed: 18 June 2010
 TM: **ST ELLA**
Decision No. 2016- 292

DECISION

STELLA MCCARTHY LIMITED¹ (“Opposer”) filed an opposition to the Trademark Application Serial No. 4-2010- 006584. The application filed by MELILEA FRANCHISE (M) SDN. BHD.² (Respondent-Applicant”), covers the mark ST ELLA for use on “bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices” under Class 3; “leather and imitations of leather, and goods made of these materials and not included in other classes, namely animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery” under Class 18 and “medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services” under Class 44 of the International Classification of Goods.³

The Opposer alleges, among others, the following:

"1. The registration of the Respondent-Applicant’s ST ELLA mark is contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293, otherwise known as the Intellectual Property Code (“IP Code”), as amended.

x x x

"2. SML is the owner and first user of the well-known and world famous STELLA trademark, which is registered with the Philippine Intellectual Property Office (“IPO”) under class 3.

x x x

SML has also registered the mark STELLA and other related STELLA marks in other countries and trademark jurisdictions around the world.

"3. SML has used, registered, or applied for registration for the mark STELLA in the Philippines and worldwide long before the Respondent-Applicant appropriated the mark ST ELLA for its own products and long before Respondent-Applicant filed the application subject of this Opposition. SML continues to use its STELLA mark today in many countries worldwide, including the Philippines.

¹ A corporation organized under the laws of the United Kingdom, having a principal place of business at Peake House, 92 Golborne Road, London W105PS, United Kingdom.
² A corporation organized and existing under the laws of Malaysia with office address at Wisma Melilea, No. C-8 Jalan PPPI, Plaza Pandan Perdana, Off Jalan Pokok Mangga, 75250 Melaka, Malaysia.
³The 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. Respondent-Applicant's ST ELLA mark is so similar with SML's STELLA mark, as to be likely, when applied to or used in connection with the goods and services of the Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public, and to create a connection between the Respondent-Applicant's goods and those of SML, and thereby damage the latter's interests as the owner of the internationally well-known mark STELLA.

"5. A side-by-side comparison of both marks clearly shows the confusing similarity between the marks.

x x x

"6. As the registered owner of the mark "STELLA," SML enjoys the exclusive right to prevent all third parties not having its consent from using in the course of trade *identical or similar signs* for goods which are identical or similar to those in respect of which its trademark is registered where such use would result in a likelihood of confusion.

SML has **not** consented to the Respondent-Applicant's adoption, use and registration of the STELLA trademark, or any other mark that is identical or confusingly similar to the STELLA mark..

"7. SML is entitled to the benefits granted to foreign nationals under Section 3 of the IP Code.

x x x

"8. The word STELLA, as part of the corporate name of herein opposer, STELLA MCCARTNEY LIMITED, is also entitled to protection as a trade name against Respondent-Applicant's confusingly similar mark ST ELLA.

x x x

"9. Moreover, if allowed to proceed to registration, the consequent use of the ST ELLA mark by Respondent-Applicant will amount to unfair competition with SML's STELLA mark, which has attained valuable goodwill and reputation through years of extensive and exclusive use. This is prohibited under the Paris Convention, the IP Code, and the Civil Code.

x x x

"10. SML and/or its respective affiliated companies, sister concerns, licensees and distributors have extensively used and promoted the STELLA trademark worldwide, including in the Philippines. Over the years, SML has obtained significant exposure for the goods upon which the STELLA mark is used in various media, including Internet websites, blogs and social networking sites, television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events.

"11. The use by the Respondent-Applicant of the mark subject of this opposition in connection with "soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices" will mislead the purchasing public into believing that the Respondent-Applicant's goods are produced by, originate from, or are under the sponsorship of SML, and damage SML's interests.

x x x

"12. Potential damage to SML will also be caused as a result of SML's inability to control the quality of the products offered or put on the market by Respondent-Applicant under its ST ELLA mark.

"13. Moreover, considering the substantial investment incurred by SML in promoting its goods and identifying itself in the Philippines and throughout the world through its STELLA mark, it is clear that Respondent-Applicant's conduct in securing the registration of a mark which

2 

is identical or substantially similar to SML's and in exploiting the same is aimed towards unduly enriching itself at the expense of SML.

"14. In view of the famous and well-known status of the mark STELLA, the inescapable conclusion is that the Respondent-Applicant intends to ride-on the substantial goodwill attached to the STELLA mark by using ST ELLA in connection with products and services.

x x x

"15. Under the circumstances, Respondent-Applicant's trademark registration for ST ELLA under Application No. 4-2010-006584, filed on 18 June 2010, must be denied.

Opposer's evidence consists of the following:

1. Authenticated Affidavit of Helen Newman;
2. Certified copy of the Brand Mission: Fragrances to Celebrate Women and International Articles/ Features referring to Stella McCarthy;
3. Details of international registrations of STELLA marks;
4. Images of STELLA products launched in 2004, 2006 and 2009;
5. Images of the launching of L.I.L.Y. Stella McCarthy products;
6. Table listing the details of Opposer applications and registration of the mark STELLA worldwide; and
7. Representative samples of trademark registration certificates for the mark STELLA issued by OMPI, Andorra, The Netherlands, Aruba, Barbados, Bermuda, Bolivia, Brunei Darussalam, Canada, Cyprus, South Korea, Costa Rica, U.A.E, U.S.A., Ethiopia, Palestine, Gibraltar, Honduras, Fiji, Mauritius, The Turks and Caicos Islands, Israel, Jordan, Kuwait and the Philippines.

This Bureau issued on 29 May 2012 a Notice to Answer and personally served it to Respondent-Applicant's counsel on 05 June 2012. After two motions for extension, Respondent-Applicant filed the Answer on 4 September 2012 alleging the following Affirmative Defenses:

"14. xxx In the case-at-hand, MELILEA's 'St Ella' mark is not identical nor confusingly similar with Opposer's 'STELLA' mark. Moreover, the Opposer has not established that its 'STELLA' mark is well-known, in accordance with Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers.

"15. A side-by-side comparison of MELILEA's 'St Ella' mark and the Opposer's 'STELLA' mark clearly shows that there is no identity nor confusing similarity between the two marks, to wit:

"15.1 Contrary to the Opposer's claim, MELILEA's 'St Ella' mark is not identical in spelling as the Opposer's 'STELLA' mark. Neither are the spelling of the two marks confusingly similar. Identity in the arrangement of the letters/texts in the marks is not automatically tantamount to identity or confusingly similarity, especially in this case, where different words are formed by the same letters although arranged in the same way. MELILEA's mark is composed of two terms "St" and 'Ella', which are separated by a noticeable gap between the two words, while Opposer's mark has just one word 'STELLA'. In fact, even this Office's search engine recognizes that MELILEA's 'St Ella' mark is composed of two words 'St' and 'Ella'. Using this Office's official on-line Trademark Database, the search using the keyword 'STELLA' does not include MELILEA's 'St Ella' mark in the result page, since the search engine acknowledges that MELILEA's 'St Ella' mark is not the same as the word 'STELLA'.

"15.2 In addition to the noticeable gap which separates the words 'St' and 'Ella', to put more emphasis that there are two words in MELILEA's 'St Ella' mark, , the letter 'S' in 'St' is in the upper case format and the 'E' in 'Ella' is again in the upper case format.

"15.3 Contrary to Opposer's claim that the over-extended cross on the letter "t" bridges the gap between 'St' and 'Ella' in MELILEA's mark, the over-extended cross, as shown above, in fact emphasized the gap between the two terms 'St' and 'Ella'.

"15.4 Opposer alleged that the aural effect of pronouncing MELILEA's 'St Ella' mark and Opposer's 'STELLA' mark is confusingly similar. However, it should be pointed out that the 'St' in MELILEA's 'St Ella' mark is an abbreviation of the word 'Saint' so that MELILEA's 'St Ella' mark should be pronounced as 'Saint Ella'. Clearly, the aural effect of pronouncing 'Saint Ella' is not in any way confusingly similar with Opposer's 'STELLA'.

"15.5. MELILEA's 'St Ella' mark is presented in a highly stylized script which differentiates it from Opposer's 'STELLA' mark that is printed in regular font, all of the letters forming said term being in the upper case format.

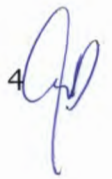
"16. This Office allowed the registration of other marks bearing the term 'STELLA' which is confusingly similar with the Opposer's 'STELLA' mark. The word 'STELLA' is a very common appellation for a lady or a female, and there are many goods that employ the said term.

"17. While some of the goods covered by MELILEA's 'St Ella' mark may be identical with or closely-related to that of Opposer's 'STELLA' mark, it should be stressed that such similarity or close-relatedness of the goods is not material in the case at hand. As discussed in the preceding paragraphs, MELILEA's 'St Ella' mark is not identical nor confusingly similar with Opposer's 'STELLA' mark. Thus, it is of no moment that the goods covered by the two marks may be identical or closely-related.

"18. The Opposer cited Article 6 *ibis* of the Paris Convention and Article 16, Paragraph 3 of the TRIPS Agreement to support its opposition to the application for registration of MELILEA's "St Ella" mark. However, these convention and agreement are not applicable to the instant case.

x x x

"19. Opposer argues that 'STELLA' is part of its corporate name 'STELLA MCCARTNEY LIMITED', and as such is entitled to protection as a trade name against MELILEA's 'St Ella' mark, which allegedly is confusingly similar with Opposer's 'STELLA' mark. For this purpose, Opposer cited Article 8 of the Paris Convention and Section 165 of our Intellectual Property Code, as bases for its argument. It is worth noting that the protection accorded under Section 165 of our Intellectual Property Code is qualified by the phrase 'likelihood to mislead the public'. As earlier discussed, MELILEA's 'St Ella' mark is not identical nor confusingly similar with Opposer's 'STELLA' mark for various reasons. Thus, there can be no likelihood of confusion or a likelihood to mislead the public. More importantly, what is entitled to protection under Article 8 of the Paris Convention and Section 165 of our Intellectual Property Code is the entire trade name 'STELLA MCCARTNEY LIMITED' and not just 'STELLA', which is only a part of the trade name. To be entitled to protection of its trade name, Opposer cannot separate the surname 'MCCARTNEY' from 'STELLA', which by itself is a common name/word that cannot be appropriated by the Opposer for its exclusive use. The word 'MCCARTNEY' is part and parcel of the full trade name 'STELLA MCCARTNEY LIMITED'. In fact, it is the word 'MCCARTNEY', which differentiates it from other marks bearing the word 'STELLA' such as 'STELLA ADLER' or 'STELLA LUNA'. This is bolstered by the fact that in the readable copies of advertisements provided by the Opposer, the packaging for the 'STELLA' perfume is always accompanied by the words 'Stella McCartney'. This is clearly a recognition on the part of the Opposer that the word/name 'STELLA' is a common name and there are many goods that employ the said word/name as discussed in earlier paragraphs. It is also an implied admission by the Opposer that what is well-known is not the common word/name 'STELLA' alone, but the surname 'MCCARTNEY', whether as a trademark or a trade name. Thus, Opposer cannot separate 'MCCARTNEY' from 'STELLA' if it wants to seek protection of its trade name.

4 

"20. In addition to opposing the registration of MELILEA's 'St Ella' mark, Opposer also accuses MELILEA of having committed acts allegedly constituting unfair competition. However, it should be pointed out that unfair competition cases are beyond the jurisdiction of the Bureau for inter partes cases, such as the instant Opposition. Unfair competition cases should be properly lodged with either the appropriate Regional Trial Court or this Bureau if the case is an Intellectual Property Violation Complaint, which an Opposition is not.

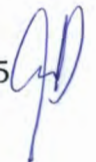
x x x

"21. Opposer avers that MELILEA's conduct in securing the registration of and exploiting its 'St Ella' mark is aimed towards unduly enriching itself at the expense of the Opposer and that the inescapable conclusion therefore is that MELILEA intends to ride-on the substantial goodwill attached to Opposer's 'STELLA' mark. However, MELILEA's conduct of securing the registration and exploitation of its 'St Ella' mark is for a valid reason other than that alleged by the Opposer. Nothing could be farther from the truth.

"22. Taking into consideration the failure of the Opposer to establish that its 'STELLA' mark is an internationally well-known mark entitled to protection, in addition to the remarkable difference between MELILEA's 'St Ella' mark and the Opposer's 'STELLA' mark, and lastly the substantial goodwill earned by MELILEA's 'St Ella' mark in the international community, it is clear that Opposer's attempt to oppose the registration of MELILEA's 'St Ella' mark should be denied for being without merit."

Respondent-Applicant's evidence consists of the following:

1. Special Power of Attorney;
2. Secretary's Certificate;
3. Authenticated Affidavit of Datuk Dr. Alan Wong Kwai Hua;
4. Milelea's registration with Companies Commission of Malaysia;
5. Printout of IPOPHL Trademark Database showing details of Respondent's application details for the mark St Ella;
6. Certified copies of registration of the mark St Ella issued in Vietnam and Taiwan;
7. Poster and video of awards received by Datuk Dr. Alan Wong Kwai Hua as Chairman of Milelea;
8. Copies of the advertisements, newspaper articles, magazine clippings, brochures, publications, promotional materials and official websites utilized by Respondent in Malaysia;
9. Copies of the advertisements, newspaper articles, magazine clippings, brochures, publications, company profile utilized by Respondent in promoting its products in Singapore, Taiwan and Indonesia;
10. Copies of video and pictures taken during the MELILEA International Rally 2009;
11. Copies of video and pictures taken during the Experience It event;
12. Actual samples of products bearing the St Ella mark;
13. Copies of the advertisements, newspaper articles, magazine clippings, publications, promotional materials and websites (www.melilea.com) and (www.st-ella.com) with Sonia Sui Tang;
14. Pictures of St Ella New York Spa and Wellness Centres in Malaysia, Taiwan and Indonesia;
15. Sales Summary of St Ella products from 2009 to 2010;
16. Copies of the advertisements, newspaper articles, magazine clippings, brochures, publications, promotional materials and official websites utilized by Respondent in promoting its products in Singapore, Taiwan and Indonesia;

5 

17. Copies of the advertisements, newspaper articles, magazine clippings, brochures, publications, promotional materials and official websites utilized by Respondent in promoting its products in Australia;
18. Pictures and newspaper clipping regarding the awards received by Respondent;
19. Printout of website, promotional posters and copies of pictures during the launching of St Ella in the Philippines; and
20. Certified copies of trademark registrations of various STELLA marks issued by IPOPHL to different entities covering various classes.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") Services for mediation. However, the parties failed to settle the dispute. The preliminary conference was terminated on 05 March 2013 and the parties were directed to submit position papers. On 15 March 2013, Respondent-Applicant filed his Position Paper while Opposer did so on 08 April 2013.

Should Respondent-Applicant be allowed to register the mark *St Ella* ?

The essence of trademark registration is to give protection to the owners of trademarks. 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.⁴

Sec. 123.1 (d) of the IP Code provides:

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;

A perusal of the records of this case will show that at the time Respondent-Applicant filed its application for registration of its mark ST ELLA on 18 June 2010, Opposer already has an existing registration for the mark STELLA issued on 23 July 2005. Opposer's **STELLA** mark is used on "*perfumes eau de toilette; eau de cologne, deodorants for personal use; essential oils for personal use; oils for cosmetic purposes; soaps; cleansing milk for toilet purposes; cosmetics; make-up preparations; make-up removing preparations; make-up powders; cosmetics creams; cosmetic preparations for skin care, for cellulite reduction, for the bath, for sun-tanning; cosmetic kits; beauty masks; pencils for cosmetic purposes; blush; nail polish; lipsticks; hair lotions and non-medicated preparations for hair care; shampoos; shaving preparations, shaving soaps; dentifrices*" under Class 3. On the other hand, Respondent-Applicant's **St Ella** mark is used on "*bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices*" which is related to Opposer's goods.

But, are the competing marks, shown below, resemble each other such that confusion or even deception is likely to occur?

⁴See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

6 

STELLA

Opposer's Mark



Respondent-Applicant's Mark

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademark pictured in their manner of display. Inspection should be undertaken from the viewpoint of the prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling and pronunciation, of words used; and the setting in which the words appear" may be considered.⁵ Thus, confusion is likely between marks only if their overall presentation as to sound, appearance or meaning would make it possible for consumers to believe that the goods or products, to which the marks are attached, comes from the same source or are connected or associated with each other.

The marks of the parties contain exactly the same letters **S-T-E-L-L-A**. However, a comparison of the how the marks appear would show that they are different and distinct from each other. Opposer's mark consists of the word "STELLA" plainly written in uppercase letters while Respondent-Applicant's mark is written in highly stylized print. Opposer's mark is written and pronounced as a single word "**STELLA**" while Respondent-Applicant's is said to consist of two words "**ST**" and "**ELLA**" and pronounced as two distinct words. Thus, it is very apparent that the parties marks are not only visually different but aurally as well. In fact, a search in the IPOPHL's trademark database would show that Respondent-Applicant's mark is not within the TM search result when the word "stella" is typed on the search tab. This only shows that the two marks are different and that the likelihood of confusion, mistake or deception on the part of the purchasing public is very remote.

The Opposer's contention that STELLA is its corporate name is also not tenable. Opposer's corporate name is not STELLA but "**STELLA MCCARTHEY LIMITED**". The presence of the word "**STELLA**" in Opposer's corporate name is not sufficient to bar the registration of Respondent-Applicant's **St Ella** mark. In one case, the Supreme Court held that there is no automatic protection afforded to an entity whose trade name is alleged to have been infringed through the use of that name as a trademark.⁶ It stressed that:

The Paris Convention for the Protection of Industrial Property does not automatically exclude all countries of the world from which have signed it from using a trade name which happen to be used in one country. To illustrate - if a taxicab or bus company in a town in the United Kingdom or India happens to use the trade name "Rapid Transportation", it does not necessarily follow that "Rapid" can no longer be registered in Uganda, Fiji, or the Philippines.

Accordingly, just because "**STELLA**" is present in Opposer's corporate name does not mean that one cannot register the mark in their favor. Besides, as already pointed out, Respondent-Applicant's mark is not "STELLA" but "**St Ella**", which is different and distinct from Opposer's mark. The trademark system functions to protect owners of trademark and the

⁵ *Etepha A.G. v. Director of Patents, G.R. No. L-20635, 31 March 1966.*

⁶ *Canon Kabushiki Kaisha v. Court of Appeals, G.R. No. 120900, 20 July 2000.*

7 

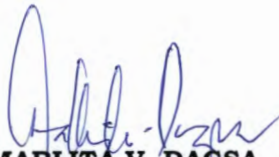
rights in a trademark is validly acquired through registration validly made in accordance with existing laws. In this case, Respondent-Applicant has shown that it has complied with the provisions of Section 123.1 (d) of the IP Code, hence, it is entitled to the registration of its mark.

Finally, since the marks of the parties are not confusingly similar, this Bureau finds no need to delve into the issue of whether Opposer's mark is a well-known mark.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2010- 006584, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 30 AUG 2016


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs