

TM 25 HOLDING B.V.,
Opposer,

-versus-

CAI LIANG QUAN,
Respondent- Applicant.

X-----X

}
} IPC No. 14-2015-00222
} Opposition to:
} Appln. Serial No. 4-2014-00012430
} Date Filed: 09 October 2014
} TM: "JSTAR"

NOTICE OF DECISION

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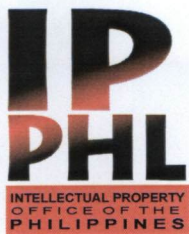
GREETINGS:

Please be informed that Decision No. 2016 - 177 dated June 10, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 14, 2016.

For the Director:

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



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IPC No. 14-2015-00222

Opposition to:

Application No. 4-2014-00012430

Date Filed: 09 October 2014

Trademark: "JSTAR"

Decision No. 2016- 177

DECISION

TM 25 HOLDING B.V.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-012430. The application, filed by Cai Liang Quan² ("Respondent-Applicant"), covers the mark "JSTAR" for use on "bags, backpacks" under Class 18 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

GROUND FOR OPPOSITION

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

- "I. The applied trademark, 'JSTAR' cannot be registered as it nearly resembles the previously Philippine-registered marks belonging to the Opposer herein. As the Respondent-Applicant's and the Opposer's marks cover the same or closely related goods, allowing the registration of such a kind of mark as the Respondent-Applicant's is highly likely to deceive or cause confusion, to the detriment of the Opposers.
- "II. Assuming arguendo that the Opposer's marks were not previously registered in the Philippines, the Respondent-Applicant's mark is still non-registrable for being confusingly similar to the Opposer's well-known marks and both marks (The Opposer's and the Respondent-Applicant's) cover identical and/or similar goods. Pursuant to Philippine and international law, Respondent-Applicant's mark cannot be registered.

¹A foreign corporation organized and existing under the laws of the Netherlands, with principal office at Joan Muyskenweg 39, 1114 AN, Amsterdam-Duivendrecht, The Netherlands.

²With address at #2-A Pear Island Compound, Malinis Street, Lawang Bato, Valenzuela City, Metro Manila, Philippines.

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.

"III. The confusing similarity of Respondent-Applicant's mark to that of Opposer's shows an obvious attempt to pass off his goods as those of the latter. Allowing Applicant's registration and subsequent use of the mark will actually create confusion, mistake, and deception to the buying public as to the origin and sponsorship of the goods, and cause great and irreparable injury and damage to Opposer's business reputation and goodwill as a senior user of the same.

"ALLEGATIONS IN SUPPORT OF OPPOSITION

"Opposer relies on the facts and circumstances to support this Opposition as they appear and discussed below together with the grounds earlier presented and reserves its right to present evidence to prove the same and such other facts as may be necessary in the course of the proceedings, depending upon the evidence to be presented by Respondent-Applicant.

"1. Section 123, paragraph (d) of Republic Act 8293 or the Intellectual Property Code of the Philippines, provides that:

x x x

"2. In determining whether or not marks nearly resemble one another in such manner that there is a high likelihood to deceive or cause confusion to the public (confusing similarity), jurisprudence has pointed to the application of two kinds of tests - the Dominancy and the Holistic tests. However, the Supreme Court more often subscribes to the use of the former rather than the latter. The Honorable Court affirms this and explains how the Dominancy test is employed in McDonald's Corporation vs. L.C. Big Mak Burger,

x x x

"3. To put the Dominancy Test in simple terms, in determining whether or not there is confusing similarity between marks, one only needs to take into account the easily remembered features or earmarks of the mark that catches the customers' attention or the aural effect of a mark to the consumer i.e. sight, color or the peculiar shape (Idem Sonans Rule). Thus, the Supreme Court has ruled in Societe Des Produits Nestle vs. Court of Appeals, there was confusing similarity between the mark 'NAN' and 'NANNY' albeit, the difference in some letters. The Supreme Court ruled that the phrase 'NAN' in 'NANNY' was the prevalent feature of the latter and the only part that the consumers will notice. AS the 'NAN' mark had an earlier filing and registration date, the later applied mark 'NANNY' was disallowed by the Supreme Court.

"4. Likewise, the mark that Respondent-Applicant wishes to register visibly fails to pass the Dominancy test, vis-à-vis the Opposer's marks. The applied trademark, 'JSTAR', nearly resembles the previously registered mark in the Philippines, belonging to the Opposer herein.

x x x

"4.3 The dominant part of the Opposer's marks that immediately comes to the trademarks' consumers' or viewer's minds are the letters, 'STAR'. When one sees all or most of those letters written in a particular font in a product, even if they are conjoined with another letter, one will immediately associate that said product as the Opposer's.

"4.4 Almost always, the average, busy consumers would only, in the overwhelming number of choices that are available, spare a quick glance of several seconds to look at a particular product. In that situation then, when consumer A for instance, has in his memory the Opposer's marks as seen from print advertisements and the like:

'G-STAR'

"Then he is later confronted by the Respondent-Applicant's mark, 'JSTAR' which is just one shy of Opposer's mark, applying the dominancy test, it is almost conclusive that he will mistake the Respondent-Applicant's product to that of the Opposer's (and vice versa) due to the confusing similarity of the marks.

"4.5 It does not make a difference that the mark 'JSTAR' applied for by the Respondent-Applicant is written in a different font style from Opposer's 'G-STAR' as the sound of the two marks are almost the same. As earlier discussed, in determining the issue of confusing similarity, the Supreme Court takes into account the aural effect of the letters contained in the marks. x x x

"4.6 Furthermore, modifying the font style does not diminish the level of certainty of consumers being duped or confused between the marks of the Opposer and the Respondent-Applicant and their respective products. As the Supreme Court ruled in the aforementioned Nestle case,

x x x

"5. The filing date in the IPO (Intellectual Property Office) of the Philippines of the Opposer's mark 'G-STAR' (Registration No. 4-2009-006920) was on 13 July 2009. The filing date of Respondent-Applicant's 'JSTAR' mark is on 09 October 2014. This shows that the Opposer inarguably had earlier registered mark and/or earlier filing date that Respondent-Applicant ought to respect. x x x

"6. From the foregoing, it is undoubtedly evident that the applied trademark, 'JSTAR', is not registrable according to Section 123 of the Intellectual Property Code. 'JSTAR' nearly resembles the previously Philippine-registered marks belonging to the Opposer herein and as the Respondent-Applicant's and the Opposer's marks cover the same or closely related goods, allowing the registration of such a kind of mark as the Respondent-Applicant's is highly likely to deceive or cause confusion. This would be detrimental to the Opposer's rights as a registered owner of the mark and his corollary interests. Therefore, Respondent-Applicant's application for registration of 'JSTAR' must be denied.

"7. Owners of well-known marks, such as the Opposer herein, are protected by both Philippine and international law.

"8. Section 123, paragraph (e) of Republic Act 8293 or the Intellectual Property Code of the Philippines, which is an embodiment of the Memorandum Circulars of the Minister of Trade and Industry to the Director of Patents on 20 November 1980 and 25 October 1983, directing the Bureau of Patents Trademark and Technology Transfer to comply with the Philippine commitment to the Paris Convention in giving protection to world-famous trademarks, like the Opposer's mark, provides that:

x x x

"9. International Conventions such as the Paris Convention, wherein the Philippines and the Netherlands are signatories, affirms the same rule in Article 6bis, to wit:

x x x

"10. The rule is explained further in Part I, Article 2 (3) of the 1999 Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, wherein the World Intellectual Property Organization (WIPO) General Assembly and the Paris Union agreed to a nonbinding recommendation that a well-known mark should be protected in a country even if the mark is neither registered nor used in that country. The provision reads:

x x x

"11. Opposer is the owner of 'G-STAR', a well-known trademark, having been the first to adopt and use them worldwide, from as early as 1994.

"12. The goods carried under said trademark have, through time and extensive advertising, earned international acclaim, as well as the distinct reputation of high quality goods. The affidavit of JOHANNES CHRISTIAN DE BIL (Annex 'C') attests to the popularity and worldwide fame of the mark, the high quality, and value of its goods.

"13. Opposer has since applied for and was able to secure registrations of its mark 'G-STAR'. The list of worldwide trademark registrations and applications, including copies of said registrations, are included in the affidavit of JOHANNES CHRISTIAN DE BIL, hereto attached and marked under Annex 'C', specifically as 'Annex Affidavit-A'.

"14. Certified copies of some of the above registrations/applications are also included in the verified and authenticated affidavit of JOHANNES CHRISTIAN DE BIL (Annex 'C').

"15. As discussed above, the Respondent-Applicant's applied trademark 'JSTAR' is confusingly similar to Opposer's well-known and previously registered 'G-STAR' mark, evidencing an audacious intent to pass off the Opposer's mark as his own.

"16. The registration of the trademark 'JSTAR' in the name of Respondent-Applicant will mislead consumers into thinking that their goods are under the sponsorship of Opposer or by a subsidiary of Opposer, or is connected or related to Opposer. As such, the proprietary rights and interests of Opposer over its well-known mark 'G-STAR' will be violated. Indeed, as Judge Learned Hand wrote in the case of American Chicle Co. v. Topps Chewing Gum, Inc.,

x x x

"17. Opposer's mark has been in existence for more than two (2) decades now and Opposer has expended large sums of money towards development and promotion of the mark through various advertising media, including but not limited to print, online and other campaigns. As a result, Opposer's mark has earned immense and invaluable goodwill and continues to achieve worldwide fame. Respondent-Applicant should not be allowed to free ride on this mark's popularity which was entirely caused by Opposer's hard word, effort and investment.

"18. Opposer has continued to nurture the name 'G-STAR' and the registration of Respondent-Applicant's 'JSTAR' diminishes the distinctiveness and strength of Opposer's trademarks, which the public and consumers have already identified, or associated with Opposer's goods, to the great prejudice and in violation of Opposer's rights to said trademarks. Allowing Applicant's registration and subsequent use of the mark will cause great and irreparable injury and damage to Opposer's business reputation and goodwill as a senior user of the same.

"19. For violating Philippine and international law protecting well-known and previously registered marks such as the Opposer's, the Respondent-Applicant's application for registration of the 'JSTAR' mark must not be entertained.

The Opposer's evidence consists of copy of Opposer's approved mark registration sheet; copy of the Respondent-Applicant's application date sheet; and the affidavit of JOHANNES CHRISTIAN DE BIL.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 02 October 2015. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark JSTAR?

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

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

x x x

- (d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of :
 - (i) The same goods or services, or
 - (ii) Closely related goods or services, or
 - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;"
- (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

⁴Marked as Annexes "A" to "C".

Records show that at the time the Respondent-Applicant filed its trademark application on 09 October 2014, the Opposer already has an existing trademark registration for the mark GSTAR under Certificate of Registration No. 42009006920 issued on 04 December 2009. The registration covers "leatherwear, made of leather, imitation leather and goods made of these materials not included in other classes, including bags and wallets; travelling trunks; umbrellas" in Class 18. This Bureau noticed that the products indicated in the Respondent-Applicant's trademark application, i.e. bags and backpacks under Class 18, are similar and/or closely-related to the Opposer's.

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

G-STAR

Opposer's trademark

Jstar

Respondent-Applicant's mark

Confusion is likely in this instance because of the close resemblance between the marks and that the goods, i.e. bags, backpacks, leather goods and materials covered by the competing marks are similar or closely-related. Respondent-Applicant's mark JSTAR adopted the dominant features of Opposer's mark G-STAR. JSTAR appears and sounds almost the same as Opposer's trademark G-STAR. Both JSTAR and G-STAR marks contain the dominant word STAR. Respondent-Applicant merely changed the first letter "G" in Opposer's G-STAR with the letter "J" to come up with the mark JSTAR. It could result to mistake with respect to perception because the marks sound so similar. Under the idem sonans rule, the following trademarks were held confusingly similar in sound: "BIG MAC" and "BIG MAK"⁵, "SAPOLIN" and "LUSOLIN"⁶, "CELDURA" and "CORDURA"⁷, "GOLD DUST" and "GOLD DROP". The Supreme Court ruled that similarity of sound is sufficient ground to rule that two marks are confusingly similar, to wit:

Two letters of "SALONPAS" are missing in "LIONPAS": the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. And where goods are advertised over the radio, similarity in sound is of especial significance...."SALONPAS" and "LIONPAS", when spoken, sound very much alike. Similarity of sound is sufficient ground for this Court to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties.⁸

⁵ *MacDonalds Corp, et. al v. L. C. Big Mak Burger*, G.R. No. L-143993, 18 August 2004.

⁶ *Sapolin Co. v. Balmaceda and Germann & Co*, 67 Phil, 705.

⁷ *Co Tiong SA v. Director of Patents*, G.R. No. L- 5378, 24 May 1954; *Celanes Corporation of America vs. E. I. Du Pont de Nemours & Co.* (1946), 154 F. 2d 146 148.)

⁸ *Marvex Commerical Co., Inc. v. Petra Hawpia & Co., et. al.*, G.R. No. L-19297, 22 Dec. 1966.


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.⁹ This Bureau finds that the mark applied for registration by the Respondent-Applicant does not meet this function.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1(d) (iii) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-00012430 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, 10 JUN 2016.


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

⁹ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).