

NEXT JEANS, INC.,

Opposer,

- versus -

ROSHAN COMMERICAL CORPORATION,

Respondent-Applicant.

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IPC No. 14-2015-00589

Opposition to

Appln. No. 4-2014-004427

Date Filed: 10 April 2014

TM - "NXT"

NOTICE OF DECISION

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ROSHAN COMMERUCAL CORPORATION

c/o LACHMAN T. CHATLANI

Respondent-Applicant

3rd Floor, RCC Center
104 Shaw Boulevard, Pasig City

GREETINGS:

Please be informed that Decision No. 2016 - 353 dated October 05, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 05, 2016.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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NEXT JEANS, INC.,
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} **IPC NO. 14-2015-00589**

} Opposition to:

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} Appln. Ser. No. 4-2014-004427

} Date Filed: 10 April 2014

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} Trademark: **NXT**

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} Decision No. 2016- *353*

DECISION

NEXT JEANS, INC., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2014-004427. The application, filed by ROSHAN COMMERCIAL CORPORATION (Respondent-Applicant)², covers the mark “NEXT”, for use on “eyewear, optical frames, sunglasses, reading glasses, lenses, cases and lens cleaners for eyewear, helmets for motorcycles, bicycles, wakeboarding and skateboarding ” under Class 9 of the International Classification of Goods³.

The Opposer anchors its opposition on the ground that the approval of the subject application is contrary to Sections 123.1(d), 138, 147 and 165 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”). The Opposer alleges the following:

“3. The Opposer is the registered owner of the trademark ‘next’ under Registration No. 47510 originally issued on 5 March 1990 and renewed on 5 March 2010, for use on pants, jeans, shirts, blouses, shoes, sandals, slippers falling under Class 25.

“4. The trademark ‘next’ is also registered in favor of Opposer under Registration No. 55791 originally issued on August 18, 1993 and renewed on August 18, 2013 for use on leather goods namely, shoes, sandals, wallets, handbags; children’s clothing namely: dresses, panty, shorts, t-shirts, blouses, fashion accessories namely, sunglasses, buckets, watches, belts, umbrella, hankies falling under Classes 14, 18 & 25.

¹ A corporation organized and existing under the laws of the Philippines with office address at 55-B Lincoln Street, Barangay San Antonio, Quezon City

² Domestic corporation with address at 3rd Floor, RCC Center, 104 Shaw Boulevard, Pasig City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the World Intellectual Property Office, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

"5. The trademark 'next' is also registered in favor of Opposer under Registration No. 4-2012-012899 issued on February 6, 2014 for use on lotions, perfumes, hand sanitizers, hand wash, body wash, shampoos, colognes, conditioners, hair sprays, hair gels, make-up, nail polish, powders, deodorants, soaps, liquid soaps, facial wash, eyewear, eyeglasses, sunglasses, comb, brush, tumblers, coffee mugs, towels, handkerchiefs, pins, rubber bands, head bands falling under Classes 3,9, 21,24 and 26.

"6. Opposer first used the trademark 'next' on January 15, 1987 on goods falling under Class 25, on January 15, 1990 on goods falling under Classes 14, 18 and in 2004 on goods falling under Classes 3,9,21,24 and 26.

"7. On July 31, 2013, Opposer acquired the mark 'NXT' after the BLA declared in Decision No. 2013-32 promulgated in IPC No. 14-2009-00126 that the mark 'NXT' is confusingly similar to its mark 'next'.

"8. Opposer has not abandoned the use of its registered trademarks 'next' and 'NXT' but has continued their use since 1987 up to the present.xxx

"9. As further proof of its continuous use of its registered trademark 'next' and 'NXT', opposer submits herewith representative sales invoices, as well as photographs of representative products bearing the trademark 'next' and 'NXT'.

"10.The Opposer has advertised it registered trademarks 'next' and 'NXT'.

"11. In addition to using 'next' as its corporate name, Opposer has also used 'next' as its trade name/business name duly registered with the Department of Trade and Industry.xxx"

To support its opposition, the Opposer submitted as evidence the following:

1. Certified copy of Amended Articles of Incorporation and original Certificate of Incorporation;
2. Copy of Certificate of Registration No. 4-2008-012245 for the mark "NXT" issued on 23 August 2013 for goods under Class 18 and 25;
3. Copy of Certificate of Registration No. 47510 for the mark "next" issued on 5 March 1990 for goods under Class 25;
4. Copy of Certificate of Registration No. 55791 issued on 18 August 1993 for the trademark "NEXT" under Classes 14, 18 & 25;
5. Copy of Certificate of Registration No. 4-2012-012899 issued on 6 february 2014 for the trademark "next" under Classes 3,9,21,24 and 26;
6. Copy of Decision No. 2013-32 in IPC Case No. 14-2009-00126;

7. Certified copies of Affidavits/Declarations of Actual Use filed on 16 february 1996, 13 April 2000 and 10 January 2006;
8. Copies of representative sales invoices and photographs of products bearing the marks "NEXT" and "NXT" , delivery receipts;
9. Print-out of pages from website www.nextjeans.com.ph
10. Copy of Business Name Registrations issued by Department of Trade and Industry; and
11. Print-out of Respondent-Applicant's mark as published in the IPO E-Gazette⁴

This Bureau served upon Respondent-Applicant a "Notice to Answer" on 13 January 2016. The Respondent-Applicant, however did not file an Answer and was declared to have waived its right to file an Answer per order issued by the Hearing Officer on 14 June 2016.

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

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.⁵ Thus, Section 123.1 subparagraph (d) of the Intellectual Property Code of the Philippines, provides:

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

- (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 competing marks, depicted below, are practically identical:



Opposer's mark



Respondent-Applicant's mark

⁴ Exhibits "A" to "L"

⁵ Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 November 1999.

The records show that at the time the Respondent-Applicant filed its trademark application on 9 December 2010, the Opposer already has an existing registration for the mark "NEXT" on goods under Classes 25, and 18, namely: pants, jeans, shirts, blouses, shoes, sandals, slippers, dresses, leather goods, namely: shoes, sandals wallets, handbags, children's clothing, namely dresses, panty, shorts, t-shirts, blouses, fashion accessories, namely: buckets, watches, belts, umbrella, hankies under Certificate of Registration No. 55791 issued on 18 August 1993⁶ and Certificate of Registration No. 47510 issued on 5 March 1990.⁷ These goods are sold in the same department stores and channels of trade and are deemed related goods.

The Supreme Court in *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E.J. Gallo Winery and Andresons Group, Inc.*⁸ held, that in resolving whether goods are related, several factors come into play:

- (a) the business (and its location) to which the goods belong
- (b) the class of product to which the goods belong
- (c) the product's quality, quantity, or size, including the nature of the package, wrapper or container
- (d) the nature and cost of the articles
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
- (f) the purpose of the goods
- (g) whether the article is bought for immediate consumption, that is, day-to-day household items
- (h) the fields of manufacture
- (i) the conditions under which the article is usually purchased and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.

The goods indicated in the Respondent-Applicant's trademark application may be considered related to those covered by the Opposer's trademark registration. These goods are sold in the same channels of trade. Nowadays, soaps, lotions, cosmetic preparations, hair accessories and clothes and shoes are sold in one department store. The Opposer also attached copies of certificates registration, renewal of registrations and Declaration of Actual Use⁹ issued prior to the filing of Respondent-Applicant's application, the earliest of which was issued as early as 1990.

Moreover, Sec. 123.1 (d) of the IP Code also proscribes registration if the mark resembles an earlier registered mark as to be likely to deceive, or cause confusion. Significantly, the Opposer has proven that it has expanded its business to goods indicated in the Respondent-Applicant's trademark application. The Opposer presented evidence

⁶ Exhibit "E"

⁷ Exhibit "D"

⁸ G.R. No. 154342, 14 July 2004.

⁹ Exhibits "A", "B" and "D"

of its application for registration under Classes 3 and 26¹⁰ and sales invoices, labels and packages showing sales of cosmetic products and fashion accessories.¹¹ Hence, even if the goods indicated in the Respondent-Applicant's trademark application are not directly in actual competition, with the goods covered by the Opposer's existing trademark registration, confusion or even deception is still likely to occur.


The ruling of the Supreme Court in *Sta. Ana v. Maliwat*¹² is instructive, to wit:

Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or tradename is likely to lead to a confusion of source, as where the prospective purchasers would be misled into thinking that the complaining party has extended his business into the field (see 148 ALR et seq. 52 Am Jur 576) or is it any way connected with the activities of the infringer; or when it forestalls the normal expansion of his business (v. 148 ALR, 77; 84 52 Am Jur 576, 577).

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-004427 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 5 OCT 2016


Atty. **ADORACION U. ZARE, LL.M.**
Adjudication Officer
Bureau of Legal Affairs

¹⁰ Exhibit "C"
¹¹ Exhibits "F", "H" and "G"
¹² G.R. No. L- 23023, 31 August 1968