



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

VANS, INC.,
Opposer,

-versus-

CONGYAN SHI,
Respondent-Applicant.

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IPC No. 14-2015-00030
Opposition to:
Appln. Ser. No. 4-2014-013117
Date Filed: 22 October 2014

TM: VANSTAR

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 349 dated 03 October 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 04 October 2017.

MARILYN F. RETUAL
IPRS IV

Bureau of Legal Affairs



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TM: VANSTAR

Decision No. 2017- 349

DECISION

VANS, INC.¹ ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2014-013117. The application filed by CONGYAN SHI² ("Respondent-Applicant"), covers the mark "VANSTAR" for use on "shoes, sandals, slippers, fashion boots, jackets, jersey, shorts, t-shirts, sandos, polos, polo shirt, blouses, skirt, jeans, pants, socks, waist belts, visor cap, bras, panties, briefs and jumpers" under Class 25 of the International Classification of Goods.³

The Opposer alleges the following:

"1. The registration of the VANSTAR 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 of the Philippines (IP Code), as amended, which prohibits the registration of a mark that:

xxx

"2. The Opposer is the owner of the well-known VANS mark and related marks (collectively, "VANS Marks"), among others, which are registered with the Philippine Intellectual Property Office ("IPO").

xxx

"3. The VANS Marks are also registered or pending registration in the name of the Opposer in various countries around the world. xxx

"4. Respondent's VANSTAR mark is confusingly similar to the Opposer'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 element 'VANS' in Respondent's VANSTAR mark is identical in terms of appearance, spelling and pronunciation to the Petitioner's well-known and registered VANS Marks.

"4.2. The design of Respondent's VANSTAR mark also closely resembles the Opposer's FLYING V LOGO mark, in particular.

xxx

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 Stall A12-A16, No. 899 Wholesale Center Mall, F.B Harrison Street, 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.

"4.3. The registration and use of the Respondent's VANSTAR mark on goods in class 25, the same class under which the Opposer'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 Marks.

"4.4. Moreover, a number of consumers already believe that the VANSTAR mark and its product is connected, associated or affiliated to the Opposer. An online search of the tags 'VANSTAR' and 'VANS' on Instagram, an online photo-sharing and social networking service, using the domain name www.instagram.com shows pictures wherein the consumers use the hashtags #vanstar and #vans together to tag or label pictures of VANSTAR shoes. Even pictures of Opposer's VANS shoes are sometimes tagged with the hashtag #vanstar. xxx

"5. Hence, the registration of the Respondent's VANSTAR mark will be 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.

xxx

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

xxx

"7. The Opposer's VANS MARKS are well-known and 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. Opposer has used the VANS MARKS in the Philippines and elsewhere prior to or way before the filing date of the Respondent's mark. The Opposer continues to use the VANS Marks in the Philippines and in numerous other countries worldwide.

"9. The Opposer has also extensively promoted the VANS Marks worldwide. Over the years, the Opposer 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. Opposer also maintains its website www.vans.com which is accessible to internet users worldwide including those from the Philippines.

"10. Respondent's mark, which is confusingly similar to the Opposer's well-known and registered VANS Marks, was applied for registration in evident bad faith, with prior knowledge of the Opposer's rights to the VANS Marks and with intention to ride on the fame, established reputation, and goodwill of the Opposer's VANS Marks. Respondent knew or ought to have known Opposer'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. If a trademark registration obtained fraudulently or in bad faith may be cancelled (Sec. 151.1 (b) Republic Act No. 8293), with more reason should a pending application made in bad faith be denied registration, as in the case of Respondent's mark.

"11. The Opposer has not consented to the Respondent's use and registration of the VANSTAR mark, or any other mark identical or similar to the Opposer's well-known and registered VANS Marks .

"12. Respondent's use of the VANSTAR mark would mislead the consumers into believing that its goods originate from, under the sponsorship of the Opposer. Therefore, potential damage to the Opposer will be caused as a result of Opposer's inability to control the quality of the products put on the market by the Respondent under the VANSTAR mark.

"13. The use of the Respondent's VANSTAR mark in which is identical or confusingly similar to the Opposer's registered and well-known VANS Marks will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's well-known VANS Marks.

"14. The denial of the registration for the VANSTAR mark under Trademark Application No. 4-2014-013117 by this Honorable Office is authorized and warranted under the provisions of the IP Code."

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Opposer's evidence consists of the following:

1. Legalized Affidavit of Mr. David Lin;
2. List showing the details of the applications and/or registrations for the VANS marks worldwide;
3. Certified copy of certificates of registration for the VANS mark issued in Australia, Canada, France, Hong Kong, Japan, United Kingdom and U.S.A.;
4. Screenshots of the Opposer's website featuring the VANS mark;
5. Samples of materials used in promoting the VANS marks;
6. Screenshots of Instagram posts showing consumers' use of the hashtag #vanstar and #vans together;
7. Computer printout of trademark details report for VANS under Registration No. 4-1989-067644 from IPOPHL Trademark Database;
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. 4-1990-073024 from IPOPHL Trademark Database;
10. Computer printout of trademark details report for VANS under Registration No. 4-1999-004914 from IPOPHL Trademark Database;
11. Computer printout of trademark details report for VANS under Registration No. 4-2001-001708 from IPOPHL Trademark Database;
12. Computer printout of trademark details report for VANS under Registration No. 4-2006-003559 from IPOPHL Trademark Database;
13. Computer printout of trademark details report for VANS under Registration No. 4-2011-015275 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 OFF THE WALL SKATEBOARD LOGO under Registration No. 4-2011-015290 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. Legalized Special Power of Attorney;
19. Affidavit of Atty. Marites Surtida; and
20. Affidavit of Marlon Gayamo.

This Bureau issued on 22 May 2015 a Notice to Answer and personally served a copy thereof to the Respondent-Applicant on 01 June 2015. After a motion for extension, Respondent filed his Answer on 15 June 2015 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. VANSTAR trademark and V LOGO are owned by Respondent-Applicant, it is covered by Trademark Registration Nos. 4-2010-75004 and 4-2014-009246 issued by the Intellectual Property Office of the Philippines;

"C. The Opposer's VANS trademark is not a well-known mark in the context of Paris Convention;

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

"E. The trademark 'VANSTAR' 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-Applicant's evidence consists of the following:

1. Photocopy of photos of sample VANSTAR products;
2. Sample of VANSTAR hangtags;
3. Printout of details of Registration No. 750043 for the mark VANSTAR and LOGO from WIPO Global Brand Database; and
4. Printout of details of Registration No. 9246 for the V mark from WIPO Global Brand Database.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 30 June 2015. However, the parties refused to mediate. During the preliminary conference on 22 September 2015, only Opposer appeared. Opposer moved for the termination of the preliminary conference. As a consequence, Respondent-Applicant's right to submit its position paper was deemed waived for non-appearance during the preliminary conference. On the other hand, Opposer was directed to submit its position paper. On 02 October 2015, Opposer filed its Position Paper. On 07 October 2015, Respondent-Applicant filed its Position Paper. On 08 October Opposer filed a Motion to Expunge Position Paper of Respondent-Applicant. A Comment thereto was filed by Respondent-Applicant on 06 November 2015.

On the procedural issue of whether Respondent-Applicant's Position Paper should be expunge from the records of this case since his right to submit the same was deemed waived during the preliminary conference because of his non-appearance, this Bureau, after consideration of the reason stated by Respondent in his Comment to the Motion to Expunge, admits the Position Paper and denies the Motion To Expunge of Opposer. While the rules provides that non-appearance during the preliminary conference has the effect of waiving a party's right to submit the position paper, however, under this circumstance, this Bureau finds that a relaxation of the rule may be applied in this case.

Going now to the main issue at hand, should Respondent-Applicant's mark VANSTAR be allowed registration?

Opposer anchors its opposition of Section 123.1 (d), (e) and (f) of the Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), as amended, which 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;

(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;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the 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.

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, or a well-known mark, said mark cannot be registered.

Records will show that at the time Respondent-Applicant filed his trademark application on 22 October 2014, Opposer already has an existing registration for its mark VANS as early as October 2006 for goods under Class 25. The registration for the mark VANS was applied on an earlier date which was on 14 April 1989. Thereafter, Opposer obtained other registrations for its mark VANS and other variants here in the Philippines for other goods in Classes 9, 14, 18, 25, 35, and 41, including the mark VANS FLYING V LOGO, FLYING V LOGO and V in a CIRCLE LOGO. As such, the certificate of registration in its name is a *prima facie evidence* of the validity of its registration, its ownership of the mark and its exclusive right to use it in connection with the goods and/or services and those that are related thereto, pursuant to Section 138 of the IP Code.

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



The marks of the parties are herein reproduced for comparison:

VANS

VANS



Opposer's Marks



Respondent-Applicant's Mark

Opposer's 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 in solid capital letters and below it is a stylized letter "V" with two solid stretched line on both sides from letter "V" up to "R" of the word "vanstar". As can be observed, Respondent-Applicant adopted the Opposer's "VANS" mark and merely added the letters "T-A-R" to form the mark "VANSTAR". Further, the stylized letter "V" below the word VANSTAR is also a mere modification of Opposer's FLYING V LOGO to make it appear differently from Opposer's FLYING V LOGO mark. However, Respondent-Applicant's manipulation and the adoption of the distinguishing features of two of Opposer's marks to form its own mark does not evade a finding of confusing similarity.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. In the same light the adoption of the distinguishing features of two of Opposer's mark and combining it under a single mark with additional alterations cannot avoid a confusion. 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.

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

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

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 competing, similar and related. 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-Applicant are manufactured by or sourced from Opposer or vice versa. In fact, this Bureau notes that in this case, there is already actual confusion among the consumer that VANSTAR and VANS products are one and the same or that they come from the same source or origin as shown in the Instagram posts wherein purchasers actually thought that the VANSTAR shoes is the same as VANS shoes.

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. Opposer 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-Applicant does not know of the existence of Opposer's product in the market and mark at the time he applied for registration of his VANSTAR mark. As such, it can be surmised that because of the popularity of Opposer's shoes, Respondent-Applicant designed a confusingly similar mark in order to ride on the popularity of Opposer's goodwill and reputation.

The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut, which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same – to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.⁸

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

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

⁸ *Supra*, note 4.

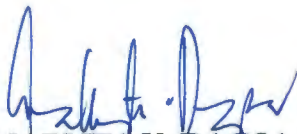


Succinctly, the allowance of registration of the Respondent-Applicant's VANSTAR mark, which is confusingly similar to Opposer's VANS Marks adopted and used prior to that of the Respondent's, will be contrary to the provisions of Section 123.1 (d) of IP Code. Thus, the same must be denied.

WHEREFORE, premises considered, the instant Opposition is hereby *SUSTAINED*. Let the filewrapper of Trademark Reg. No. 4-2014-013117 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 03 OCT 2017.


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs