



INTELLECTUAL PROPERTY  
OFFICE OF THE PHILIPPINES

**TRS QUALITY, INC.,**  
*Opposer,*

**-versus-**

**DANNY KO,**  
*Respondent-Applicant.*

X-----X

**IPC No. 14-2012-00236**  
Opposition to:  
Appln. Ser. No. 4-2011-004758  
Date Filed: 26 April 2011

**TM: THE SHACK**

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2017 - 396 dated 29 November 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, 11 December 2017.

**MARILYN F. RETUAL**  
IPRS IV  
Bureau of Legal Affairs





INTELLECTUAL PROPERTY  
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**TRS QUALITY, INC.,**

**IPC NO. 14 – 2012 – 00236**

Opposer,

Opposition to:  
Trademark Application Serial No.  
42011004758

- versus -

**DANNY KO,**

**TM: "THE SHACK"**

Respondent-Applicant.

**DECISION NO. 2017 - 396**

x-----x

### DECISION

TRS QUALITY, INC. (Opposer)<sup>1</sup> filed an Opposition to Trademark Application Serial No. 4-2011-004758. The trademark application filed by DANNY KO (Respondent-Applicant)<sup>2</sup>, covers the mark "THE SHACK" for use on *"retail stores or online stores for household goods, home products electronic, hardware, computer and peripherals, household appliance and general merchandise, management and franchising or retail services"* under Class 35 and 12 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer relevant allegations are as follows:

1. The registration of the mark is contrary to the provision of Section 123.1 (d), (e) and (f) of the Republic act No. 8293, as amended, which prohibit the registration of a mark x x x
2. Opposer is the owner and the prior user of the well-known marks RADIOSHACK and THE SHACK, which are registered and/or applied for registration with the Philippines Intellectual Property Office for services of consumer electronic products in Class 35, among others. x x x
4. Opposer also owns registration and/or pending applications for the well known marks RADIOSHACK, THE SHACK and SHACK in numerous

<sup>1</sup> A company organized under the laws of the State of Delaware, United States of America, with business address at 300 Radioshack Circle CF4-101, Forth Worth, Texas 76102-1964.

<sup>2</sup> A natural person with address at 54 Scout Torillo Street, Quezon City, Philippines

<sup>3</sup> The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.



jurisdiction worldwide. In the United States of America alone, these marks are registered for retail services of consumer electronics products, among others. x x x

5. The Respondent-Applicant's mark THE SHACK is confusingly similar to the Opposer's mark RADIOSHACK, and identical to Opposer's mark THE SHACK, as to be likely to deceive or cause confusion. Since the Opposer's mark RADIOSHACK is registered in the Philippines, the registration of the Respondent-Applicant's mark THE SHACK will be contrary to Section 123.1 (d) of Republic Act No. 8293.

x x x

6. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, x x x
7. The Opposer's marks RADIOSHACKS and THE SHACK are well-known and world famous. Hence, the registration of the Respondent-Applicant's mark THE SHACK will constitute a violation of Articles 6bis and 10bis of the Paris Convention and Article 16 (1) and (2) of the TRIPS Agreement in conjunction with Section 3, 123.1 (e) and 123.1 (f) of Republic Act No. 8293.
8. The Opposer has used the marks RADIOSHACK and THE SHACK long before the filing date of the Respondent-Applicant's mark THE SHACK which is the subject of this opposition. The Opposer continues to use the marks RADIOSHACK and THE SHACK in numerous countries worldwide.
9. Being the true owner and prior user of the well-known mark THE SHACK, in particular, Opposer's right to the mark THE SHACK is superior to that of the Respondent-Applicant's mark THE SHACK was applied for registration earlier than Opposer's application.
10. Opposer has also extensively promoted the marks RADIOSHACK and the SHACK worldwide. Over the years, the Opposer has obtained significant exposure for its products and services on which the marks RADIOSHACK and THE SHACK are used in various media, including television commercials, outdoor and online advertisements, internationally well-known print publications and other promotional events. Opposer also maintains a website, [www.radioshack.com](http://www.radioshack.com), which is accessible to users worldwide.
11. The Opposer's marks RADIOSHACK and THE SHACK being well-known, Respondent-Applicant knew or ought to have known Opposer's prior and exclusive right to those marks. Hence, Respondent-Applicant's appropriation of the mark THE SHACK as his own was made in bad faith, with prior knowledge of the Opposer's right to the said marks, and with the intention to ride on the fame, established reputation and goodwill of the Opposer's marks by copying the Opposer's THE SHACK mark for use on identical services. Respondent-Applicant's bad faith precludes the ripening of a right to the mark in his favor.



12. Opposer has not consented to the Respondent-Applicant's use and registration of the mark THE SHACK or any other mark identical or similar to the Opposer's marks RADIOSHACK and THE SHACK.
13. The use by the Respondent-Applicant of its mark THE SHACK in connection with the following services in class 35

"Retail services or online stores for household goods, home products, electronics, hardware, computer hardware and peripherals, household appliance & general merchandise, management and franchising of retail services."

which are identical or closely related to the retail services of electronic products upon which the marks RADIOSHACK and THE SHACK are used and/or registered by the Opposer in connection with its business, will mislead the purchasing public into believing that the Respondent-Applicant's goods or services are produced by, originate from, or are under the sponsorship of the Opposer. Potential damage to the Opposer will also be caused as a result of its inability to control the quality of the products and services offered or put on the market by the Respondent-Applicant under the mark THE SHACK.

14. The use by the Respondent-Applicant of its mark THE SHACK in relation to its services in Class 35, being identical or closely-related to the Opposer's services and business, will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's well-known marks RADIOSHACK and THE SHACK.

In support of its Opposition, the Opposer submitted the following:

- Exhibit "A" – Original notarized and legalized Verified Notice of Opposition;
- Exhibit "B" – Original notarized and legalized Affidavit of Mr. Joel H. Tiede, the President of Opposer;
- Exhibit "C" – Certified copy of Canada Trademark Registration for RADIOSHACK under Registration No. TMA 152,580;
- Exhibit "D" – Certified copy of Australia Trademark Registration for RADIOSHACK under Registration No. 260980;
- Exhibit "E" – Certified Copy of United States of America Trademark Registration for RADIOSHACK under Registration No. 2,164,296;
- Exhibit "F" – Certified Copy of United States of America Trademark Registration for THE SHACK under Registration No. 3,791,459;
- Exhibit "G" – Certified Copy of Mexico Trademark Registration for RADIO SHACK under Registration No. 233987;
- Exhibit "H" – Certified copy of United Kingdom Trademark Registration for RADIO SHACK under Registration No. 1500787;
- Exhibit "I" – Certified Copy of United Kingdom Trademark Registration for RADIOSHACK under Registration No. 1323020;
- Exhibit "J" – Certified Copy of United Kingdom Trademark Registration for



- RADIOSHACK under Registration No. 1477206;
- Exhibit "K" – Certified Copy of OHIM Community Trademark Registration for RADIO SHACK under Registration No. 009102823;
- Exhibit "L" – Copy of Guatemala Trademark Registration for RADIO SHACK under Registration No. 22057;
- Exhibit "M" – Computer printout of the trademark details report for THE SHACK under Application No. 4-2011-015027 downloadable from the Intellectual Property Office website;
- Exhibit "N" – DVD containing videos showing episodes of the Ellen DeGeneres show and THE SHACK TRADE & SAVE PROGRAM featuring the RADIOSHACK and THE SHACK marks;
- Exhibit "O" – Original notarized Affidavit of Marlon S. Gayamo; and
- Exhibit "P" – Original notarized and legalized Officer's Certificate and Power of Attorney signed by Mr. Joel H. Tiede, the President of the Opposer, with attached By-Laws outlining the powers of the President, regarding the authority of the undersigned counsel to represent Opposer in this case.

This Bureau served a Notice to Answer dated 18 January 2013 to the Respondent-Applicant on 23 July 2012. The Respondent-applicant then filed a motion for extension of the period to file Answer. The Motion was granted through Order No. 2012 – 1169 dated 31 August 2012. On 7 November 2012, the Opposer filed a Motion to Declare the Respondent-Applicant for its failure to file the Answer on or before the deadline of 15 September 2012. On 9 November 2012, the Respondent-Applicant filed its Answer together with a Motion to Admit the said pleading. This prompted the Opposer to file a Comment / Opposition to Motion to Admit Attached Verified Answer. On 31 January 2013, the hearing officer issued Order No. 2013 -189 declaring the Respondent-Applicant in default for having filed the Answer out of time. Consequently, the instant case was deemed submitted for decision.

The primary issue to resolve in the instant case is whether the Respondent – Applicant should be allowed to register the trademark "THE SHACK."

The contending trademarks are reproduced below for comparison:

**The Shack**

**Radio Shack**

Opposer's Trademark

**THE SHACK**

Respondent – Applicant's  
Trademark



A simple examination of the contending marks readily show that the "The Shack" trademark of the Opposer is practically identical to the mark being applied by the Respondent-Applicant. While there may be differences in the font face and type, the differences are negligible to the eyes and ears of the consuming public. In addition, the dominant feature in the Respondent-Applicant's mark which is the word "SHACK" constitute half of the Opposer's another trademark "RADIOSHACK."

Also, a perusal of the records, shows that Respondent-Applicant's trademark application indicates that the mark is to be used for similar or closely related services – *retail stores or online stores offering electronics and household appliances* – with that of the Opposer.<sup>4</sup> No doubt, the possibility that the consumer will be deceived or will commit the mistake of inter-changing the Respondent-Applicant's products with the products of the Opposer's is high. Thus, there is a necessity to determine who between the contending parties own the "SHACK" mark with reference to the subject goods.

The function of 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.<sup>5</sup> Moreover, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.<sup>6</sup>

At the time the Respondent-Applicant filed his trademark application on 26 April 2011, the Opposer has already an existing registration for THE SHACK in its country of origin, the United States of America bearing Reg. No. 3791459 issued on 18 May 2010<sup>7</sup>, and Registration No. 2,164,296 for its mark RADIOSHACK since 9 June 1998 under Classes 1, 3, 6, 7, 8, 9, 11,14, 16, 20, 28, and 35.<sup>8</sup> The Opposer has also presented evidence that even prior to the application of the Respondent-Applicant, the term "shack" was being use to refer to its stores.<sup>9</sup> In the Philippines, it filed its registration on 16 December 2011 bearing Serial No. 4-2011-015027 under Classes 9, 28, and 35 of the International Classification of Goods and Services. Further, Opposer has shown that it has registered its RADIOSHACK and the SHACK mark in other countries even before the Respondent-Applicant filed its trademark application

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<sup>4</sup> Respondent-Applicant's Application for Registration and Opposer's Exhibit "C" to "M"

<sup>5</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508 19 Nov. 1999

<sup>6</sup> *McDonald's Corporation v. MacJoy Fastfood Corporation* 215 SCRA 316, 320 (1992); and *Chuanchow Soy & Canning Co. v. Dir. of Patents and Villapania*, 108 Phil. 833, 836 (1960).

<sup>7</sup> Exhibit "F"

<sup>8</sup> Exhibit "E"

<sup>9</sup> Exhibit "B-1"



in the Philippines.<sup>10</sup> On the other hand, the Respondent-Applicant did not present evidence showing other registration or commercial use prior to its application or before the first use of the Opposer. The Respondent-Applicant did not rebut the evidence submitted by the Opposer and failed to give any proof that will show that he is the originator of the identical mark.


The Supreme Court has consistently held that “a trademark, being a special property, is afforded protection by law. But for one to enjoy this legal protection, ownership of the trademark should rightly be established.”<sup>11</sup> Corollary, it is not the application or the registration that vests ownership, but it is the ownership of the mark that confers the right to register the same.<sup>12</sup> Succinctly, only the true owner of a trademark should be allowed to apply for its registration.

It is inconceivable for the Respondent-Applicant to have come up with the mark “THE SHACK” to be use on the same goods or services without having been inspired by or motivated to imitate the Opposer’s mark. Definitely, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combination of design 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 earlier mark.<sup>13</sup>

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application Serial No. 42011004758 is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 42011004758 be returned together with a copy of this DECISION to the Bureau of Trademarks (BOT) for appropriate action.

**SO ORDERED.**

Taguig City, 29 NOV 2017

  
**Leonardo Oliver Limbo**  
Adjudication Officer  
Bureau of Legal Affairs

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<sup>10</sup> Exhibit “C” to “L”

<sup>11</sup> *Berris Agricultural Co. Inc. vs. Norvy Abyadang* G.R. 183404, 13 October 2010

<sup>12</sup> *Birkenstock Orthopaedie GMBH and Co. KG vs. Philippine Shoe Expo Marketing Corporation*, G. R. No. 194307, November 20, 2013

<sup>13</sup> *American Wire & Cable Company vs. Dir. Of Patent*, G.R. No. L-26557, February 18, 1970.