

CHANEL SARL,	}	IPC No. 14-2009-00002
<i>Opposer,</i>	}	Opposition to:
	}	
-versus-	}	Appln. Ser. No. 4-2008-002249
	}	Date Filed: 26 February 2008
LONGSHENG HONG	}	TM: "COCO CLOTHES & DEVICE"
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2009-127

## DECISION

This is an opposition proceeding commenced by Opposer CHANEL SARL, a corporation duly organized under the laws of Switzerland, registered at Burgstrasse 26, CH-8750 Glaris, Switzerland, against the application for trademark "COCO Clothes and Device" bearing Application Serial No. 4-2008-002249, which application was filed on February] 26, 2008 by Respondent-Applicant LONGSHENG HONG, with address at Rm. 35 Jaglan S Bldg. 556-A Juan Luna St., Binondo, Manila.

Accordingly, the grounds for opposition are as follows:

"1. Opposer is the registered owner in the Philippines of COCO for goods in Class 25 under Registration No. 058525 issued by the IPO. Opposer is likewise the registered owner in the Philippines of the trademark COCO under Registration No. 016026 and COC CHANEL under Registration No. 54979 for goods in Class 3 (hereinafter collectively referred to as the "COCO Marks").

"Opposer has been using the COCO Marks worldwide and in the Philippines long before Respondent-Applicant appropriated the similar mark COCO CLOTHES for its own products in Class 25. The COCO Marks have been used in the Philippines since at least 1999 and is registered in over 150 countries worldwide.

"2. Respondent-Applicant's trademark COCO CLOTHES so resembles Opposer's COCO Marks as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Respondent-Applicant's goods either come from Opposer or are sponsored or licensed by it.

"3. The word "clothes" being entirely non-distinctive for Class 25 goods, "COCO" is clearly the dominant portion of Respondent-Applicant's mark and covers goods that are identical and/or similar to Chanel's. Moreover, beauty and fashion being inextricably linked and Coco also being the nickname of Chanel's founder – a world-renowned fashion icon – the use of COCO on clothing will inevitably mislead consumers into thinking that COCO CLOTHES is affiliated with or sponsored by Chanel.

"The registration and use by Respondent-Applicant of the trademark COCO CLOTHES will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Marks, which are arbitrary trademarks when applied to Opposer's products. The COCO Marks have been recognized as well-known by courts and intellectual property offices in numerous countries and, as one of the world's leading women's fragrances, there is no question that COCO is immediately associated with Chanel.

"4. Respondent-Applicant adopted the trademark COCO CLOTHES on its own goods with the obvious intention of misleading the public into believing that its goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as a source of goods bearing the confusingly similar COCO Marks.

“5. The approval of Respondent-Applicant’s trademark COCO CLOTHES is based on the representation that it is the originator, true owner and first user of the trademark, which was merely derived from Opposer’s COCO Marks.

“6. Opposer is the first user of the COCO Marks in Philippine commerce and elsewhere, having utilized the same since at least 1999. The COCO Marks have come to be associated with various products of Chanel including clothing, footwear, hair accessories, jewelry, leather goods, and perfumery of the finest quality. Respondent-Applicant’s use of a confusingly similar mark as the brand name for its own product is likely to cause consumer confusion as to the origin of said goods.

“7. Respondent-Applicant’s use of the trademark COCO CLOTHES infringes upon Opposer’s exclusive right to use the COCO Marks, which are well-known trademarks protected under Sections 147 and 123.1 (d), (e) and (f) of the Intellectual Property Code (“IP Code”), Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade related Aspects of Intellectual Property Rights to which the Philippines and Switzerland adhere.

“8. The registration of the trademark COCO CLOTHES in the name of the Respondent-Applicant is contrary to other provisions of the IP Code.

In support of the above opposition, Opposer relied upon, among other facts, the following:

“1. Opposer adopted and has been using the COCO Marks for its goods and services for over 20 years, long before Respondent-Applicant’s unauthorized usage of the confusingly similar trademark COCO CLOTHES. Opposer has been commercially using the COCO Marks in the Philippines for numerous years before the filing of the application for the registration of the trademark COCO CLOTHES by Respondent-Applicant.

“2. Opposer is the first user and rightful owner of the COCO Marks. Opposer and its related companies has also used and registered or applied for the registration of the COCO Marks in over 150 countries worldwide. There is no reason for Respondent-Applicant to adopt the COCO CLOTHES mark other than to trade on Opposer’s reputation.

“3. Opposer’s COCO Marks are arbitrary trademarks and are entitled to broad legal protection against unauthorized users like Respondent-Applicant who has appropriated the deceptively similar trademark COCO CLOTHES for its own goods.

“4. Opposer is the first user of the COCO Marks for the above-mentioned goods. Respondent-Applicant has appropriated the trademark COCO CLOTHES for the obvious purpose of capitalizing upon the renown of Opposer’s self-promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer.

“5. The registration and use of a confusingly similar trademark by the Respondent-Applicant will tend to deceive and or confuse purchasers into believing that Respondent-Applicant’s products emanate from or are under the sponsorship of Opposer’s interest for the following reasons:

- a. The trademarks are confusingly or deceptively similar.
- b. COCO is the nickname of Chanel’s founder and is widely recognized as such.
- c. Respondent-Applicant’s addition of the word “clothes” only accentuates the association with COCO since “clothes” is generic for clothing. COCO is the dominant part of Respondent-Applicant’s mark.

d. Respondent-Applicant's unauthorized appropriation and use of the trademark COCO CLOTHES will dilute Opposer's reputation and goodwill among consumers.

e. Respondent-Applicant used the trademark COCO CLOTHES on its own products as a self-promoting trademark to gain public acceptability for its products through its association with Opposer's popular COCO Marks, which have attained international renown as marks for several products including clothing, footwear, leather goods, hair accessories, jewelry and perfumery of the finest quality.

f. The goods on which COCO CLOTHES will be used are closely related or identical to those for which Opposer uses the COCO Marks.

g. Respondent-Applicant intends to trade, and is trading on, Opposer's goodwill.

"6. The registration and use of a confusingly similar trademark by Respondent-Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's COCO Marks.

Attached to the Verified Notice of Opposition are the following annexes/exhibits for the Opposer:

Item	Description
Annex "A"	Notarized affidavit of Catherine Louise Cannon, with attached copy of Power of Attorney
Annex "B"	Authentication by Junever M. Mahilum-West, Consul General of the Republic of the Philippines for Geneva, Switzerland; Notice of Opposition by Chanel SARL
Annex "C"	Authentication by Junever M. Mahilum-West, Consul General of the Republic of the Philippines for Geneva, Switzerland; Notarized affidavit of Vanessa Riviere.
Exhibit "A"	A copy of <i>Times/CBS News: People of the Century – One Hundred Men and Women Who Shaped the Last One hundred Years</i> [Simon & Schuster 1999].
Exhibit "B"	Copies of advertisements of different Chanel products
Exhibit "C"	Copies of Philippines Trademark Registration Nos. 058525, 016026 and 054979
Exhibit "D"	Copies of commercial invoices and delivery notices showing sales of products bearing Chanel's COCO Marks in the Philippines.
Exhibit "E"	A list of the countries, territories and jurisdictions where Chanel and related Chanel companies have registered or applied to register COCO
Exhibit "F"	A sampling of Certificate of Registration from various countries for COCO in Class 25
Exhibit "G"	Copies of advertisements for Chanel's products bearing the COCO Marks that appeared in magazines and periodicals circulated worldwide.
Exhibit "H"	Copies of court decisions from various jurisdictions where COCO Marks have been recognized as famous, and where Chanel has

	won numerous cases against parties who attempted to unlawfully use its COCO Marks.
Exhibit "I"	Copies of editorials and press clippings from various publications showing that COCO Marks are immediately recognizable and associated with Chanel when used on fashion items.

On January 07, 2009, this Bureau, in response to the Verified Notice of Opposition filed by Opposer, issued a Notice to Answer which was personally served to Respondent-Applicant and duly received on February 10, 2009.

As of the above Notice to Answer, no Motion for Extension of Time to File Verified Answer nor the Verified Answer itself was filed by Respondent-Applicant. Hence, considering that the thirty (30) day period from the time of Respondent-Applicant's receipt of the Notice to Answer has lapsed, Respondent-Applicant has been declared to have waived its right to file the same. This case was then deemed submitted for decision on July 03, 2009 by Order No. 2009-1102

The main issue to be resolved in this case is:

WHETHER OR NOT RESPONDENT-APPLICANT'S MARK COCO CLOTHES IS CONFUSINGLY SIMILAR WITH THE OPPOSER'S COCO MARKS.

Respondent-applicant and opposer's mark are depicted below for comparison:



RESPONDENT-APPLICANT'S TRADEMARK



OPPOSER'S TRADEMARK

A careful perusal of respondent-applicant's and opposer's respective marks shows that they are confusingly similar: The dominant feature of said marks is the root word "COCO". The other features of the respective marks that are dissimilar such as the font of COCO CLOTHES, the sphere wherein the same is placed inside, the big letter U and a dot on top of it, and a line which connects the first letter C of the word coco to the letter S of the word clothes creating a smiling like line does not negate the confusing similarity of respondent-applicant's mark to that of opposer's mark.

The test of confusing similarity which would preclude the registration of a trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing marks 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 be such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.

Thus, the Supreme Court in resolving the issue of confusing similarity has developed two kinds of tests – the Dominancy Test and the Holistic Test. As its title implies, the test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception. It is necessary if the competing trademark contains the main, essential or dominant features of another, and confusion or deception is likely to result. Indeed, the question lies as to whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive purchasers.

On the other side of this spectrum, the holistic test requires that the entirety of the marks in question be considered in resolving confusing similarity. Comparison of words is not the only determining factor. The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

In several cases decided by the Supreme Court, it has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Now, as to what constitutes a dominant feature of a label, no set of rules can be deduced. Usually, these are signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that easily attracts and catches the eye of the ordinary consumer.

Relative thereto, it has been ruled in the case of Philippine Nut Industry, Inc. that:

“An ordinary word like PLANTERS may be considered as the dominant and striking mark of a label where it is used not merely to describe the nature of the products, but to project the source or origin thereof, and it is so printed across the label in bold letters that it easily attracts and catches the eye of the ordinary consumer and it is that word and none other that sticks in his mind when he thinks of the product.”

Relying on the above ruling, it can be deduced that the trademark itself “COCO” is the dominant feature in the Opposer’s mark. Likewise, in the Respondent-Applicant’s mark “COCO CLOTHES”, it is a compound word mark, the dominant element of which is the word “COCO” because it is the easily remembered earmark of the brand and the one that easily attracts and catches the eye of the ordinary consumer; the word “CLOTHES” being only a descriptive portion of the mark.

Applying the dominancy test, Opposer and Respondent-Applicant’s mark is similar in the sense that Respondent-Applicant’s mark “COCO CLOTHES” contains the word “COCO” which is Opposer’s mark. Although Respondent-Applicant added the word “CLOTHES” to vary it from Opposer’s mark, nonetheless, confusing similarity cannot be avoided. The rule is that, the confusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of other terms. On top of it, the similarity in the herein competing marks is made more evident in the class of goods, to which these two marks is used, i.e., they are used in same goods belonging to Class 25. As such, since the goods belong to the same class, they are so closely related that conclusion is likely to occur as to the source or origin of the goods. 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 other. An unfair competitor need not copy the entire mark to accomplish its fraudulent purposes. It is enough if he takes the one feature which the average buyer is likely to remember. Indeed, measured against the dominant-feature standard, Respondent-Applicant's mark must be disallowed. For, undeniably, the dominant and essential feature of the article is the trademark itself. Therefore, to allow registration of Respondent-Applicant's mark would violate not only Section 123.1 (d) of the IP Code but also the jurisprudential precepts laid down by the Supreme Court on this matter.

Section 123.1 (d) of the IP Code provides:

"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

Moreover, Opposer is also the registered owner of the mark "COCO". According to Section 138 of Republic Act No. 8293, "the certificate of registration is a prima facie evidence of the registrant's ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto." Thus, a registered owner should be protected against anyone who impinges on this right.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, Chanel Sarl against Respondent-Applicant Longsheng Hong is, as it is hereby SUSTAINED. Consequently, the trademark application for the registration of the mark "COCO CLOTHES AND DEVICE" of Respondent-Applicant bearing Application Serial No. 4-2008-002249 filed on 26 February 2008 for garments particularly jeans, blouses, jogging pants, shorts, pants, jackets, t-shirts, swimming trunks, and bathing suits falling under Class 25 of the international classification of goods is, as it is hereby, REJECTED.

Let the filewrapper of "COCO CLOTHES AND DEVICE" of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 22 October 2009.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office