

CLUETT PEABODY & CO., INC.,
Opposer,

-versus-

IPC No. 14-2006-00052
Opposition to:
Appln. Serial No. 4-1996-109188
Date Filed: June 20, 1996
Trademark: "ARO"

Decision No. 06-123

ORKAM ASIA TRADEMARK AG,
Respondent-Applicant.

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DECISION

For resolution is the Opposition filed by Client by Cluett Peabody Company, Inc. (the "Opposer") against Application No. 4-1996-109188 filed by Orkam Asia Trademark AG (the "Respondent-Applicant") on 20 June 1996 for the registration of the mark ARO covering goods in Class 25, upon the ground that the mark ARO is identical with and/or confusingly similar with its trademarks ARROW WITH DEVICE and ARROW and their variations (the "ARROW marks").

Opposer, CLUETT PEABODY & CO., INC., (hereafter, the "Opposer") is a corporation duly organized and existing under the laws of the State of Delaware, United States of America, with business address at 48 West, 38th Street, New York, New York, 10018, U.S.A.

Respondent-Applicant, ORKAM ASIA TRADEMARK AG, is a corporation organized and existing under the laws of Switzerland with address at Aspermonsrasse 24, CH-7006 Chur, Switzerland.

On 30 March 2006, Opposer filed the instant Opposition against Respondent-Applicant's Application for registration of the trademark ARO for goods under Class 25 (Clothing, footwear, and headgear namely: aprons, babies diapers and napkins of textile, babies pants, bathing clothes, beach clothes, caps, suits, belts, bibs, neckties and necklets, lingerie, boots and shoes, parts of boots and shoes, breeches, braces, collars, capes, coats, corsets, cuffs, drawers, dress shield, dressing gowns, hat frames, frocks, furs, gabardines, gaiters, garters, galoshes, girdles, gloves, headbands, hats, hosiery, jackets, jerseys, jumpers, knitwear, layettes, leggings, body linen, ready-made linings, maniples, miters, mittens, muffs, outer clothing, overalls, overcoats, pajamas, pants, paper clothing, parkas, petticoats, pullovers, ready-made clothing, parts of clothing, robes, sandals, sashes for wear, scarves, shawls, shirts, shoulder wraps, skirts, slippers, undergarments, spats, suspenders, suits, trousers, togas, tights, sweaters, topcoats, underclothing, uniforms, vests, veils, wet suits for water skiing, wimples, wristbands, visors, waterproof clothing).

On 17 April 2006, this Bureau issued a Notice to answer, copy of which together with the Opposition was received by Respondent-Applicant on 21 April 2006. The Notice to Answer required Respondent-Applicant to submit its Verified Answer within thirty (30) days from receipt thereof.

Respondent-Applicant filed successive motions for the extension of time to file its Verified Answer to the Opposition, totaling a period of 120 days from receipt of the Notice to Answer. As per Order No. 2006-1153 dated 31 July 2006, this Bureau granted Respondent-Applicant a final extension of thirty (30) days or until 22 August 2006, within which to file its Verified Answer.

On 31 August 2006, Opposer filed a Manifestation and Motion, manifesting that Respondent-Applicant failed to file its Verified Answer on 22 August 2006. Opposer prayed that

the instant case be decided based on the pleadings, affidavits of witnesses and documentary evidence presented by the Opposer, pursuant to sections 10 and 11 of Office Order No. 79 Series of 2005 (Amendments to the Regulations on Inter-Partes Proceedings).

On 04 September 2006, this Bureau issued Order No. 2006-1267 declaring Respondent to have waived its right to file its Verified Answer and allowing the Opposer to file its Position Paper.

Grounds for Opposition

Opposer filed the instant Opposition based on the following grounds:

1. The registration of the mark "ARO" in the name of the Respondent-Applicant will violate and contravene the provisions of Sections 123.1 (d), (e), (f) and (g) of Republic Act 8293 (the "IP Code"), as amended, because said mark is confusingly similar to Opposer's internationally well-known trademarks "ARROW WITH DEVICE", "ARROW" and their variants, used by Opposer on goods under Class 25 (outer shirts of all kinds, dress, negligee, dress shirts, sports shirts, knit shirts, boxers and briefs, underwear, undershirts, neckties and pajamas; trousers, pants and shorts for men, women, boys and girls; hosiery; woven shirts, kit shirts, undergarments, sleepwear, neckties, bowties, scarves, swimwear, sweaters, hats, socks, sweatshirts, jackets, blazers, coats, belts, outer pants, shorts, suits, sweat pants, sport pants, sweaters).

2. The registration of the mark ARO for goods under Class 25 in the name of Respondent-Applicant will cause grave and irreparable injury and damage to the Opposer.

3. Opposer is the owner of the internationally well-known ARROW marks, registered in the Philippines with the Intellectual Property Office (IPO) for goods under Classes 3, 14, 24 and 25. Opposer is also the owner of the several pending trademark applications in the Philippines.

4. Opposer is the prior adopter, owner and user of the ARROW marks, with history of more than 150 years dating as far back as 1851. Starting from the production of collars in one-room workshop in Troy, New York, Opposer has grown into what is now an international corporation with distribution in more than 90 countries, including the Philippines. Opposer first used the ARROW WITH DEVICE trademark in the United States on 01 December 1903 and the ARROW mark on 01 May 1922, for goods under Classes 24 and 25 (collars, cuffs and shirts). In the Philippines, the ARROW WITH DEVICE trademark was registered as early as 30 July 1925.

5. Opposer has obtained and continues to obtain registrations for the ARROW marks from the intellectual property offices of various countries around the world.

6. Opposer's ARROW marks have acquired immense and valuable goodwill as a result of enormous sums of money spent in advertising and promotions worldwide, including the Philippines.

7. Opposer also maintains the website www.arrowshirt.com where information about its history, range of products and distributors selling ARROW products are specified for easy access by consumers all over the world.

8. Opposer's internationally well-known ARROW marks have long become distinctive of the business and/or goods of the Opposer, through Opposer's long and exclusive use thereof in international commerce. The ARROW marks are well-known marks not only in the United States but in different parts of the world.

9. As internationally well-known marks, the ARROW marks are protected under Article 6bis of the Paris Convention.

10. The confusing similarity between Respondent-Applicant's ARO mark and Opposer's internationally well-known ARROW mark is very likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods, to which it is affixed.

11. Opposer will be damaged by the registration of the mark ARO in the name of Respondent-Applicant, considering the fact the Opposer's ARROW marks have long been established and has obtained goodwill and consumer recognition in the Philippines and worldwide.

12. Respondent-Applicant's application to register The ARO mark is in unfair competition with and an infringement of Opposer's well-known ARROW marks as the use of the mark on the similar goods as described in its application clearly violates the exclusive right of the Opposer to said marks.

13. The registration of the mark ARO in the name of the Respondent-Applicant will violate the proprietary rights/interest, business reputation and goodwill of the Opposer over its own ARROW marks considering that the distinctiveness of said mark will be diluted, thereby causing irreparable injury to the Opposer.

14. It is also apparent that the registration of the mark ARO in the name of Respondent-Applicant, which mark is confusingly similar to Opposer's well-known ARROW marks will not only prejudice the Opposer but will also allow the Respondent-Applicant to unfairly from and get a free ride on the goodwill of Opposer's well-known marks.

Issues

The issues to be resolved in the instant Opposition case are:

(a) Whether or not Respondent-Applicant's trademark ARO is confusingly similar to Opposer's ARROW marks such that Opposer will be damaged by registration of the ARO mark in the name of Respondent-Applicant; and

(b) Whether of not Respondent-Applicant trademark application for ARO should be granted registration.

Considering that the Application subject of the instant opposition is filed under the old Trademark Law (R.A. 166, as amended), and that Respondent, through Counsel, manifested in writing their desire to prosecute this application under the provisions of Republic Act No. 166, as amended, hence, the case shall be resolved under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

From evidence on record, Opposer is the registered owner in the Philippines of the ARROW marks, as follows:

| Trademark | Registration Number | Nice Classification |
|----------------------------------|---------------------|---------------------|
| ARROW & DEVICE | 28833 | 25 |
| ARROW WITH ARROW DEVICE | 1639 | 25 |
| ARROW WITH DEVICE BELOW THE WORD | 4-2002-006072 | 25 |
| ARROW WITH DEVICE BELOW THE WORD | 4-2002-8854 | 14 |
| ARROW WITH DEVICE BELOW THE WORD | 4-2001-005585 | 3 |

| | | |
|-------|---------------|--------|
| ARROW | 4-2004-005345 | 24, 25 |
| ARROW | 4-2000-001879 | 25 |

Opposer is also the owner of the following pending trademark applications:

| Trademark | Application Number | Nice Classification |
|-------------------|--------------------|---------------------|
| ARROW WITH DEVICE | 4-1995-103062 | 25 |
| ARROW WITH DEVICE | 4-2000-00001878 | 25 |
| ARROW WITH DEVICE | 4-2004-003456 | 25 |
| ARROW WITH DEVICE | 4-2004-005345 | 25 |

Opposers, mark ARROW WITH DEVICE, was registered with the Intellectual Property Office as early as 30 July 1955 for goods under Classes 24 and 25 (Certificate of registration No. R-1639) and on 29 December 1980 for hosiery under Class 25 (Certificate of registration no. 28833).

Opposer has also registered or applied for the registration of the ARROW marks for various goods including those in Classes 24 and 25 in more than 90 countries, including the following countries:

| Country | Trademark | Registration Number |
|----------------------------|-------------------|--|
| OHIM | ARROW with Device | 000831107 |
| People's Republic of China | ARROW with Device | 1633198 |
| Mexico | ARROW with Device | 681640 |
| Hong Kong | ARROW with Device | 08026 |
| Thailand | ARROW with Device | Kor98302 |
| Venezuela | ARROW with Device | P231675 |
| U.S.A. | ARROW with Device | 368,681 6,536,383 2,560,000 2,628,779 1,833,378 1,736,718 1,971,938 1,922,948 |
| Chile | ARROW with Device | 497,528 |
| Indonesia | ARROW with Device | 406694 |
| Australia | ARROW | A160,495 |
| Mexico | ARROW | 660478 481914 |
| Korea | ARROW with Device | 0495618 |
| Japan | ARROW | 4644534 |

Opposer's ARROW products are promoted, advertised and sold through Opposer's website www.arrowshirt.com, among other channels of trade.

The applicable provision of the Trademark Law, Section 4(d) provides:

"Section 4. Registration of trademarks, trade-names and service-marks on the principal register --- xxx The owner of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it:

xxx

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers.”

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a comparison of Opposer’s and Respondent-Applicant’s marks will show that Respondent-Applicant’s ARO mark is confusingly similar to Opposer’s ARROW marks. The marks ARROW and ARO are both one-word marks that are made up of the letters A, R and O, consisting of two (2) syllables that are pronounced in the same way. The marks are phonetically the same, of identical sounds with similar consonant and vowel content. Applying the doctrine, this Bureau considered the mark ARO to be *idem sonans* for the mark ARROW (Sapolin Co. vs. Balmaceda 67 Phil 795).

In the case of *McDonald’s Corporation, et. al. vs. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, 18 August 2004, the Supreme Court held:

“Applying the dominancy test, the Court finds that respondents’ use of the “Big Mak” results in likelihood of confusion. First, “Big Mark” sounds *exactly* the same as “Big Mac.” Second, the first word in “Big Mak” is *exactly* the same as the first word in “Big Mac.” Third, the first two letters in “Mak” are the same as the first two letters in “Mac.” Fourth, the last letter in “Mak” while a “k” sounds the same as “c” when the word “Mak” is pronounced. Fifth, in Filipino, the letter “k” replaces “c” in spelling, thus “Caloocan” is spelled “Kalookan.”

In short, aurally the two marks are the same, with the first word of *both* marks phonetically the same, and the second word of *both* marks also phonetically the same. Visually, the two marks have *both* two words and six letters, with the first word of *both* marks having the same letters and the second word having the same first two letters. In spelling, considering the Filipino language, even the last letters of *both* marks are the same.”

Respondent-Applicant’s use of the confusingly similar mark ARO, for goods under Class 25, is likely to mislead the public that its goods are affiliated with or sponsored by the Opposer. As correctly pointed out by the Opposer, the mark ARO is most likely to be mistaken for a shortened version of ARROW as it is a practice for owners and proprietors of known brands, in the fashion and clothing industry, to market their goods using the shortened version of their trademarks, such as GIO (Giordano), D&G (Dolce and Gabana), A/X (Armani Exchange), CK (Calvin Klein), DKNY (Donna Karan New York), PDX (Paddocks) and BNY (Bunny).

This Office quote with approval the pronouncement of the Court in the case of *Marvex Commercial Co vs. Hawpia & Co.* (18 SCRA 1178), which states:

“The tradename “LIONPAS” for medicated plaster cannot be registered because it is confusingly similar to “SALONPAS”, a registered trademark also for medicated plaster. x x x Although the two letters of “SALONPAS” are missing in “LIONPAS”, the first letter a and the letter s. Be that as it may, when two words are pronounced, the sound effects are confusingly similar. xxx”

Similarly, the Supreme Court upheld confusing similarity between the marks DURAFLEX and DYNAFLEX when it ruled in the case of *American Wire and Cable Co. vs. Director of Patents* (31 SCRA 544), that:

“The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; x x x no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other.”

The Supreme Court further observed similarity in the following trademarks: FREEDOM and FREEMAN (Co Tiong Sa vs. Director of Patents, May 24, 1954); AMBISCO and NABISCO (Operator, Inc. vs. Director of Patents, 15 SCRA 149); and SUNVIS and UNIVIS (Esso Standard Oil Company vs SUN Oil Company, et. al, 46 TMR 444).

Having shown and proven resemblance of the two marks at issue, we now delve on the matter of priority in use which certainly has decisive in the adjudication of the case. From the evidence on record, Opposer established prior use of these trademarks in commerce and his continuous adoption and use thereof consisting of sale and promotional works. Opposer has prior registration for ARROW marks and was using these trademarks on goods under class 25 way back in the 50s for the Philippines alone. As held in the case on Unno Commercial Enterprises, Inc. vs. General Milling Corporation “*prior use by one will controvert a claim of legal appropriation by subsequent users*”. Hence, it may be concluded inevitably that Respondent-Applicant’s use of identical mark on the same or related goods will result in an unlawful appropriation of mark previously used by Opposer and not abandoned, thereby contravening Section 4(d) of Republic Act No. 166, as amended.

The right to register trademarks, trade names and services marks is based on ownership. Only the owner of the mark may apply for its registration (*Bert R. Bagano v. Director of Patents, et. al.*, G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, the Respondent-Applicant has the burden of proving ownership (*Marvex Commercial Co., Ins. v. Peter Hawpia and Co.*, 18 SCRA 1178). In the instant case, Respondent-Applicant did not present any evidence to prove its ownership of the ARO mark, despite being given the opportunity to do so.

On the other hand, Opposer has presented evidence that its ARROW WITH DEVICE mark was registered with the Intellectual Property Office as early as 30 July 1955 for goods under Classes 24 and 25 (“Exhibit B”- Certificate of Registration No. R-1639) and on 29 December 1980 for hosiery under Class 25 (“Exhibit A”- Certificate of registration No. 28833). Being the prior user and registrant of the mark ARROW WITH DEVICE in the Philippines, Opposer is the actual owner thereof.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-1997-122109 filed by Orkam Asia Trademark AG on June 20, 1996 for the registration of the mark “ARO” used on goods under Class 25 particularly clothing apparels is, as it is hereby, REJECTED.

Let the filewrapper of ARO subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

06 November 2006, Makati City.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs