

PAUL STUART, INC.	}	IPC NO. 4318
Opposer,	}	Opposition to:
	}	Serial No. 96832
	}	Date Filed: 12-06-94
-versus-	}	
	}	
CHANDER CHANDNANI	}	Trademark: "PAUL STUART"
Respondent-Applicant.	}	
	}	Decision No. 2002-39

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D E C I S I O N

On December 19, 1997, PAUL STUART, INC., a corporation duly organized and existing under the laws of the State of New York, United States of America, located at 18 East 45<sup>th</sup> Street, New York, N.Y. 10017, United States of America, filed its Verified Notice of Opposition docketed as Inter Partes Case No. 4318, to application bearing Serial No. 96832 for the registration of the mark "PAUL STUART" used on t-shirts, pants and jeans under class 25 of the International Classification of goods, which application was published in Volume IX, No. 6 of the November-December 1996 issue of the Bureau of Patents, Trademarks and Technology Transfer Official Gazette released for circulation on August 20, 1997.

The herein Respondent-Applicant is CHANDER CHANDNANI, a Filipino doing business at 950 Pedro Gil St., Paco, Metro Manila.

The grounds for opposition to the registration of the mark "PAUL STUART" are as follows:

"1. The registration of the mark PAUL STUART in the name of respondent is barred by section 4(d) of Republic Act No. 166 as a mark that so resembles a mark previously appropriated and not abandoned as to likely to cause confusion, deception or mistake upon the public when applied to or used on identical goods.

"2. The mark PAUL STUART was adopted by the respondent applicant knowingly, willfully, and in bad faith with prior knowledge of the existence of the trademark PAUL STUART with an intention of cashing-in on the fame and repute of Opposer's mark by colorably imitating Opposer's mark for use on identical products. Said bad faith on the part of respondent precludes the ripening of a right in favor of respondent and precludes the grant of registration to respondent.

"3. The mark PAUL STUART is Opposer's company name and trade name which respondent may not copy."

Opposer relied on the following facts to support its opposition:

"1. The opposer is the owner by prior adoption and use if the trademark PAUL STUART and it is opposer that created and originated the mark.

"2. Opposer has a pending trademark application in the Philippines to register its own trademark. The issuance of a registration to respondent will damage and prejudice opposer in its application to register its mark in the Philippines.

"3. The name PAUL STUART is, furthermore, part of Opposer's company name or trade name by which opposer is known in commerce. Said trade name is entitled to protection under the Paris Convention.

"4. Respondent-Applicant copied Opposer's exact mark and even copied the exact style of lettering of Opposer's mark. Attached as Annex "A" is a copy of Opposer's mark. Attached as Annex "B" is a copy of respondent's mark.

"5. The exact similarity of design of both marks did not arise by accident but by intentional copying on the part of the respondent. The copying shows respondent's bad faith.

"6. The existence of respondent's identical mark damages opposer and damages the public as there cannot be two PAUL STUART trademarks for used on the same goods. Necessarily, one has to be fake, and the other, the original. Respondent will deceive the public by trading its fake "PAUL STUART" goods."

The issue to be resolved in this particular case is:

WHETHER OR NOT TRADEMARK "PAUL STUART" SOUGHT TO BE REGISTERED BY RESPONDENT-APPLICANT IS CONFUSINGLY SIMILAR TO THE MARK OF THE OPPOSER, "PAUL STUART".

The governing law at the time the application was filed and at the time of filing of the instant Notice of Opposition is Republic Act No. 166 as amended.

SECTION 4(d) of Republic Act No. 166 as amended provides:

"SECTION 4. Registration of trademark, trade-names and service marks on the Principal Register. There is hereby established a register of trademarks, trade-names and service marks which shall be known as the principal register. The owner of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business and services of others shall have the right to register the same on the Principal Register unless it:

" x x x

"(d) Consist of or comprise 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 services of the applicant, to cause confusion or mistake or to deceive purchasers; or x x x"

Records will show that ORDER No. 99-575 dated 25 October 1999 was been issued by this Office declaring Respondent-Applicant IN DEFAULT for failure to file the required Answer despite receipt of the Verified Notice of Opposition.

Pursuant to the Order of Default, Opposer presented its evidence Ex-parte consisting of Exhibits "A" to "K-12" inclusive of sub-markings.

As testified to by Opposer's witness, (JOHN L. DONAHUE) the herein Opposer PAUL STUART, INC., was founded in 1931 and has been using "PAUL STUART" as its trademark since that year, (paragraph 2 of Exhibit "K"); that the herein Opposer registered its trademark "PAUL STUART" in twenty three (23) countries throughout the world, (paragraph 4 of Exhibit "K").

Records further show that the mark "PAUL STUART" has been registered in the Opposer's country of origin, United States of America bearing Registration No. 994,756 in 1974 (Exhibit "K-5").

On the other hand, Respondent-Applicant first use of his mark as shown in his application subject of this opposition proceedings is "February 17, 1982" which is very much later than the Opposer's first use in 1931 or date of registration which is just a single use of his trademark "PAUL STUART" in the Philippines to substantiate his alleged date of first use on February 17, 1982.

Another point worth mentioning is that Opposer's trademark is its company name and trade-name. In this regard, the PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY ARTICLE 8 PROVIDES:

"A trade name shall be protected in all the countries of the Union without the obligation of filing or registration whether or not it forms part of a trademark."

It is interesting to note that despite the millions of terms and combinations of letters available to Respondent-Applicant, he chose to adopt and use the mark "PAUL STUART" which is exactly identical to the Opposer's mark "PAUL STUART". It is therefore very evident that the intention of the Respondent-Applicant is to take advantage of the reputation and cash in on the goodwill generated by Opposer's trademark which it has been using since 1931.

Therefore, as the rightful owner of the trademark "PAUL STUART", Opposer should be given protection from unlawful copying or imitation. Thus, the Supreme Court has declared in several cases that:

"The object of a trademark are to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into the market a superior article or merchandise; the fruit of his industry and skill, and to prevent fraud and imposition. (ETEPHA vs. DIRECTOR OF PATENTS, 16 SCRA 495, LA Chemise Lacoste, S.A. vs. Fernandez, 129 SCRA 373)

"The owner of a trademark or trade-name has a proprietary right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as confusion of goods. The modern trend is to give emphasis to the acts and to treat the issue a fraud. (Ang vs. Teodoro, 74 Phil. B50: Arce Sons & Co. vs. Selecta Biscuits Co., Inc., 1 SCRA 253)

"Modern trade and commerce demands that depredations on legitimate trademarks of NON-NATIONALS including those who have not shown prior registration thereof should not be countenanced. The law against such depredations is not only for the protection of the owner of the trademark but also, and more importantly, for the protection of purchasers from confusion, mistake or deception as to the goods they are buying." (Asari Yuko CO. Ltd., vs. Kee Boc, 1 SCRA 1: General Garments Corp. vs. Director of Patents, 41 SCRA 50)

Further, it must be noted that the herein Respondent-Applicant was declared in DEFAULT in accordance with the Regulations on Inter Partes Proceedings for his failure to file his Answer within the reglementary period, and upon motion of Counsel for the Opposer (ORDER No. 99-575, dated 25 October 1999).

In this connection, it was held by the Supreme Court in DELBROS HOTEL CORPORATION vs. INTERMEDIATE APPELATION COURT, 159 SCRA 533, 548 that;

"Fundamentally, default orders are taken on the legal presumption that in failing to file an Answer, the Defendant does not oppose the allegations and relief demanded in the complaint."

Indeed, this Office cannot but notice the lack of concern the Respondent-Applicant had shown in protecting the mark which is contrary to the norm that: "A person takes ordinary care of his concern" (Sec. 3(d), Rule 131 of the Rules of Court).

WHEREFORE, premises considered, Notice of Opposition is hereby SUSTAINED. Consequently, application bearing Serial No. 96832 filed on December 6, 1994 by Mr. Chander Chandnani for the mark "PAUL STUART" is hereby REJECTED.

Let the filewrapper of PAUL STUART subject matter in this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, December 26, 2002.

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