

|                            |   |                            |
|----------------------------|---|----------------------------|
| REEBOK INTERNATIONAL LTD., | } | IPC No. 14-2007-00261      |
| Opposer,                   | } | Opposition to:             |
|                            | } | Serial No. 4-2006-006455   |
|                            | } | Date Filed : 16 June 2006  |
| -versus-                   | } | Trademark : DMK AND DEVICE |
|                            | } |                            |
| PETER GOH HAI SAN,         | } |                            |
| Respondent-Applicant       | } | Decision No. 09-20         |
| x-----x                    |   |                            |

## DECISION

For decision is the Notice of Opposition filed by Reebok International Ltd., (Opposer), a corporation organized and existing under the laws of the State of Massachusetts, U.S.A. having a principal place of business at 1895 J.W. Foster Boulevard, Canton, MA, USA against Application Serial No. 4-2006-006455 for the mark DMK AND DEVICE (the letter DMK inside a ribbon-like device) for goods under class 25, namely: "footwear and their components, namely cushioning soles, heels, hell inserts, inner soles" filed on 16 July 2006, filed in the name of Peter Goh Hai San, (Respondent-applicant), a citizen of Singapore, with address at Block 32, #04/26 Defu Lane Singapore.

Opposer relies on the following grounds for its opposition:

"1. The registration of the DMK AND DEVICE mark is contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293, as amended, which prohibit the registration of a mark that:

"(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 service, or
- (ii) Closely related goods or service, 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 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 generated 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."

2. The Opposer is the owner of the mark DMX has been registered with the Intellectual Property Office since 31 October 2005 under Registration No. 4-1995-10279 for goods under Class 25.

3. The Respondent-Applicant's mark is confusingly similar to the Opposer's DMX mark as to be likely to deceive or cause confusion. This is apparent from a comparison of both marks:

|                         | <u>Opposer's DMX Mark</u>  | <u>Respondent-Applicant's DMK AND DEVICE Mark</u>                                      |
|-------------------------|--|--|
| Classification Of goods | 25   | 25   |
| Designated Goods        | Footwear, Footwear components namely midsole cushioning components | Footwear and their competent namely cushioning soles, heels, hell inserts, inner soles |

Hence, the registration of the Respondent-Applicant's mark will be contrary to Section 123.1 (d) of Republic Act No. 8293, which provides:

4. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, which provides:

"Section 3. International Conventions and Reciprocity. – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act."

The Opposer is domiciled in the United Sates of America. Both the Philippines and the United States of America are members of the Paris Convention for the Protection of Industrial Property. The Paris Convention provides:

"Article 6bis

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country or registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x."

"Article 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition"

5. The Opposer's DMX mark is a well-known and world famous mark. Hence, the registration of the Respondent-Applicant's DMK AND DEVICE mark will constitute a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Sections 3, 123.1 (e) and 123.1 (f) of Republic Act No. 8293.

6. The Opposer has used the DMX mark in the Philippines and elsewhere prior to the filing date of the application subject of this opposition. The Opposer continues to use the DMX mark Philippines and in numerous other countries.

7. The Opposer has also extensively promoted the DMX mark worldwide. Over the years, the Opposer has obtained significant exposure for the goods which the DMX mark is used in various media, including television commercials, outdoor advertisement, internationally well-known print publication, and other promotional events.

8. The Opposer has not consented to the Respondent-Applicant's use and registration of the DMK mark or any other identical or similar to the Opposer's DMX mark.

9. The use by the Respondent-Applicant of the mark subject of this opposition in connection with footwear and related goods will mislead the purchasing public into believing that the Respondent-Applicant's goods 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 offered or put on the market by Respondent-Applicant under the DMK mark.

10. The use by the Respondent-Applicant of the mark subject of this opposition in relation to its goods, whether or not identical, similar or closely related to the Opposer's goods will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's DMX mark.

11. The denial of the application subject of this opposition is authorized under other provision of Republic Act No. 8293."

Opposer submitted the following evidence to wit:

| EXHIBIT | DESCRIPTION  |
|---------|--|
| "A"     | Verified Notice of Opposition                      |
| "B"     | Affidavit of Diana Wainrib (with Annexes)          |
| "C"     | Certificate of Registration from Brunei Darussalam |
| "D"     | Certificate of Registration from Canada            |
| "E"     | Certificate of Registration from Great Britain     |
| "F"     | Certificate of Registration from Hong Kong         |
| "G"     | Certificate of Registration from India             |
| "H"     | Certificate of Registration from Ireland           |
| "I"     | Certificate of Registration from Israel            |
| "J"     | Certificate of Registration from Kenya             |
| "L"     | Certificate of Registration from South Africa      |

|     |   |
|-----|---|
| “M” | Certificate of Registration from the United States of America |
| “N” | Philippine Certificate of Registration No. 4-1995-102179      |
| “O” | Certificate of Authority                                      |

In its Answer filed on 4 February 2008, respondent-applicant raised the following special and affirmative defenses:

“4. The registration of mark “DMK and device” is not contrary to the provisions of Sec. 123.1 (d), (e) and (f) of Republic Act No. 8293 otherwise known as the Intellectual Property Code, which state:

Sec. 123. Registrability – 123.1 A mark cannot be registered if it:

xxx

*(d) It is identical with a registered mark belonging to a different proprietor or a mark with a filing or priority date in respect of:*

- (i) The same goods or service, or*
- (ii) Closely related goods or services, or*
- (iii) If it nearly resemblance such a mark as to be likely to cause confusion.*

*(e) It 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, accounts shall be taken of the knowledge of the relevant sector 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 the 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.”*

xxx

5. Respondent-applicant avers that there can be no confusingly similarity between the mark of the former and of opposer. Opposer never uses the mark DMX independent of the mark Reebok. Their mark Reebok or the Reebok logo/device always appears on shoe products also bearing the letters DMX. A printout of Reebok DMX shoes advertisements in the worldwide web is hereto attached as Annexes “A” to “C”. Reebok is also primarily known for sports products, including rubber shoes. On the other hand, respondent-applicant manufactures footwear foe ladies including heels, pump, wedges, peeptoos, slip-ons, and sandals. Printouts of DMK’s webpage providing the same are hereto attached as Annexes “D” to “E”. Printouts of photographs of DMK ladies shoes as taken from the DMK homepage is hereto attached as Annexes “F” to “J”.

6. Respondent-applicant's mark DMK stands for Dormika Footwear Enterprise. Dormika is shortened as DMK. The said mark was first adopted in January 2000 in Singapore. The mark DMK is registered in the following countries: Vietnam, United Arab Emirates, Australia, Brunei Darussalam, Malaysia, Singapore, Indonesia and Myanmar. Certified true copies of registrations, including English translations of those originally in a language other than English, are hereto attached as Annexes "K" to "Q". A copy of an advertisement that ran in a Myanmar broadsheet in 2006 is hereto attached as Annex "R". The said advertisement is a trademark caution stating that herein respondent-applicant is the owner of the mark DMK in Myanmar.

7. Several of the registered marks previously mentioned are in the name of "Peter (1983) Shoes Company" and "HC Resource Pte Ltd", both owned by herein respondent-applicant. Attached hereto as Annexes "S" is the record from Singapore's Accounting and Corporate Regulatory Authority (ACRA) showing that "Peter (1983) Shoes Company" is owned by herein respondent-applicant. Attached as Annex "T" is the agreement for the sale and Purchase of the shoe business between HC Resources Pte Ltd and Goh Hai San Trading as Peter (1983) Shoes Company.

8. Respondent-applicant's trademark DMK is a well-known mark in Singapore and in a number of Asian countries. DMK stands for Dormika and is a legitimate brand in itself. The registration of respondent-applicant's mark, contrary to opposer's claim, cannot in anyway constitute a violation of the Paris Convention.

9. The mark DMK is capable of standing side-by-side with the opposer's mark and any other mark using the letters D and M. As against opposer's mark DMX, the same is always in shoes also bearing the mark Reebok. On the other hand, the subject mark is just DMK, plain and simple. More importantly, opposer's mark DMX is not the only registered mark. In the Philippines bearing the first letters D and M. Also registered are registration Nos. 4-1997-125002 and 4-1998-006014 fro the marks DMs and DM's respectively. Both marks are also for class 25, like opposer's mark and herein subject mark. The first mark. DMs, is for "footwear and their parts, namely, welts, sole heels, heel inserts, inner soles, shanks, cushion pads, fillers." The second mark DM's, is for "clothing namely: tee shirts, polo, tops, long sleeved tee shirts, sweat shirts, blouses, shirts, tank tops, jumpers, skirt, shorts, trousers, jackets, parka coats, long sleeved jerseys, polo shirts, hooded tops, fleecy tops, gilets/waistcoats, sweaters, cardigans, track tops, coat-including anoraks and parkas, jean track pants, sweat pants, overall, dresses; and clothing accessories, namely: handkerchiefs, scarves, gloves, mitten, braces, socks, belt, headgear, namely: hoods, hats, caps, footwear, namely: shoes, boots, sandals, and parts thereof namely buckles, welts, soles, heels, heel inserts, inner soles, insoles, exchangeable footbeds, lining, vamps, shanks supports, metatarsal arch supports, toe-caps, tongues, cushion pads and filters." Attached hereto as Annexes "U" and "V" and printouts from the official homepage of Intellectual Property Philippines showing that the marks DMs and DM's are registered and subsisting.

Given the facts that three marks bearing the first two letters D and M, all under class 25 and engaged in selling footwear, are registered in the Philippines at present, respondent-applicant submits that the mark DMK can co-exist with the marks DMx (Reebok), Dms and DM's.

10. Respondent-applicant has used the trademark DMK in Singapore and elsewhere prior to the filing of this opposition. Copies of sales invoices from

Brunei Darussalam are hereto attached Annexes "W" to "W-19". Copies of sales invoices from Singapore are hereto attached as Annexes "X" to "X-17".

11. Respondent-applicant has extensively promoted the trademark DMK over the years. The trademark DMK has been used in promotional materials in mass media, including the World Wide Web is the homepage of DMK. A print out of the said page is hereto attached as Annex "Y". An advertisement of the mark hereto attached as Annex "Y". An Advertisement of the mark DMK in Singapore is hereto attached as Annexes "Z" to "Z-8". An advertisement of the mark DMK in Brunei Darussalam is hereto attached as Annexes "A-A-1" to "A-A-2".

In support of his Answer, Respondent-applicant submitted the following evidence:

| EXHIBIT          | DESCRIPTION   |
|------------------|---|
| "1"              | Verified Answer   |
| "2"              | Print-out Reebok DMX shoes  |
| "3"              | Print-out contents of DMK's web page                                  |
| "4"              | Print-out of photographs of DMK ladies shoes                          |
| "5"              | Certificate of Registration from Vietnam                              |
| "6"              | Certificate of Registration from United Arab Emirates                 |
| "7"              | Certificate of Registration from Australia                            |
| "8"              | Certificate of Registration from Brunei Darussalam                    |
| "9"              | Certificate of Registration from Malaysia                             |
| "10"             | Certificate of Registration from Singapore                            |
| "11", "12", "13" |   |
| "14"             | Certificate of Registration from Indonesia                            |
| "15"             | DMK advertisement   |
| "16"             | Pages from Accounting and Corporate Regulatory Authority              |
| "17"             | Copy of Sales Agreement between NC Resources Pte Ltd. and Goh Hai San |
| "18"             | Print out from IPO homepage showing status of mark DMs                |
| "19"             | Print out from IPO homepage showing status of mark DMs                |
| "20"             | Copies of Invoices from Brunei  |
| "21"             | Copies of Invoices from Singapore                                     |

|      |  |
|------|--|
| “22” | print out of web page <a href="http://www.dmk.com.sg">www.dmk.com.sg</a> |
| “23” | Copies of advertisements in Singapore                                    |
| “24” | Copies of advertisements in Brunei                                       |
| “25” | Verification   |
| “26” | Power of Attorney  |

The parties were called to a Preliminary Conference on 17 March 17 2008 but there being no amicable settlement was reached, the parties were required to submit their position papers.

The marks of the parties are reproduced below for comparison:



The logo consists of the letters 'DMX' in a bold, sans-serif font. The 'D' and 'M' are connected at the top, and the 'X' is formed by two intersecting diagonal lines.

Opposer's mark



Respondent-applicant's mark

The law provides that a mark cannot be registered if it nearly resembles a registered mark as to be likely to cause confusion and deception. Section 123 states:

“Section 123. Registrability. 123.1 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”

Evidence show that the opposer is the registered owner of the mark DMK under Philippine Certificate of Registration No. 4-1995-102179 (Exhibit “N”) issued in 31 October 2005 for goods under class 25 namely: “footwear, footwear components namely: midsole, cushioning components.” Opposer’s use of its mark is seen in promotional brochures on its website (Exhibit “B” –Annex “A”) an articles (Exhibit “B” – Annex “B”). On the other hand, respondent-applicant’s application is also for goods under class 25 namely: “footwear and their components, namely cushioning soles, heel, heel inserts, inner soles.”

In comparison, the mark of the contending parties consist of three literal elements two of which are its most dominant elements and are notably exactly the same. The Letters D and M are used by both parties except that the last letters are different. Opposer appropriated the letter X while respondent use the letter K in combination with the letters D and Dm. They appear in block style except that respondent-applicant puts the letters DMK in a ribbon like device. Be that as it may, the marks are used on identical goods under class 25. Thus, visually the marks look almost the same. When pronounced, the last letter although different are pronounced with a “K” sound. Respondent-applicant points to registrations for the mark DM on hat.

Applying the aforementioned provision of the law, this Bureau rejects the registration by respondent-applicant of its mark DMK. Not only do the marks look the same and quite phonetically the same, they are also applied non identical goods under class 25. Moreover, the dominant feature of both marks is the letters DM.

The Supreme Court in McDonald's Corporation v. L.C. Big Mak Burger, Inc., G.R. No. 143993, 18 August 2004 also applied the dominancy test, it held:

"The test of dominancy is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code which defines infringement as the "colorable imitation of a registered mark xxx or a dominant feature thereof."

Applying the dominancy test, the Court finds that respondents' use of the "Big Mak" mark results in likelihood of confusion. First, "Big Mak" 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" in spelling, thus "Caloocan" is spelled "Kaloocan".

In America Wire & Cable Co. vs. Director of Patents, 31 SCRA 544, the Supreme Court held:

In fact, even their similarity in sound is taken into consideration, where the marks refer to merchandise of the same descriptive properties, for the reason that trade *idem sonans* constitutes violation of trade mark patents.

The respondent- applicant impresses upon the Bureau that the shoes manufactured and sold by him are footwear for ladies such as heel, pumps, wedge, peep toes, sandals as seen in his advertisements. (Exhibit "D", "E", "F" "J") while opposer's mark is used for athletic shoes. Confusion may still arise given the similarity in the marks. Moreover, it is not unlikely that purchasers can be confused as to the origin or sponsorship of these shoes.

In Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andersons Group, Inc., G.R. No. 154342. July 14, 2004, the Supreme Court held:

"There are two types of confusion in trademark infringement. xxx The other is "confusion of business" wherein the goods of the parties are different but the defendant's product can reasonably (though mistakenly) be assumed to originate from the plaintiff, thus deceiving the public into believing that there is some connection between the plaintiff and defendant which, in fact, does not exist."

Although respondent-applicant has secured registrations for the DMK mark in various countries around the world (Exhibit "5" to "14") and has shown evidence of its advertisements on the web (Exhibit "3" and "4"), the fact remains that there is similarity between the trademarks themselves namely, DMX and DMK which when used for similar goods in the Philippines would lead to a likelihood of confusion.

The Supreme Court in Marvex Commercial Co., Inc. vs. Petra Hawpia & Co. (18 SCRA 1178) held:

"A trade-name in order to be an 'infringement' upon another need not to be exactly like it in form and sound, but it is enough if the one so resembles another as to deceive or mislead persons of ordinary caution into the belief that they are



dealing with the one concern when in fact they are dealing with the other.” (Foss v. Culberston, 136 P. 2d 711, 718, 17 Wash. 2d 610). xxx

“Infringement of trade-mark does not have depend on the use of identical words, nor on the question whether they are so similar that a person looking at one would be deceived into the belief that it was the other, it being sufficient if one mark is so like another in form, spelling, or sound that one with not a very definite or clear recollection as to the real mark is likely to be confused or misled.” (Northam Warren Corporation v. Universal Cosmetic C., C. C. A III., F. 2d 714, 775). (Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, 65 SCRA 575)” (Underscoring provided)

Opposer assert that it is a well-known mark should be protected under Section 123 (e) and (f) of the IP Code. We disagree.

“SECTION 123. Registrability. – 123.1. A mark cannot be registered if it:

- (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;

Rule 102 of the Rules and Regulations on Trademarks provided the criteria in determining a well-known mark. This includes the following:

- a. The duration, extent and geographical area of use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation at fairs or exhibitions, of the and/or services to which the mark applies;
- b. The market share in the Philippines and in other countries of the goods and/or services to which the mark applies;
- c. The degree of the inherent or acquired distinction of the mark;
- d. The quality image or reputation of the acquired mark;
- e. The extent to which the mark has been used in mark in the world;
- f. The exclusivity of the use attained to the mark in the world;
- g. The commercial value attributed to the mark in the world;
- h. The record of successful protection of the rights in the mark;
- i. The outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- j. The presence or absence of identical similar goods or services owned by persons other than the person claiming that his mark is a well known mark.

It is observed that the opposer has not presented a single receipt to prove the statement of its witness (Exhibit "B") that DMX has been sold extensively with sales equivalent of O216, 241, 094.41. It merely submitted its marks in foreign countries (Exhibit "C" to "M") and its registration in the Philippines (Exhibit "N").

WHEREFORE, considering that Respondent-applicant's DMK is confusingly similar to Opposer's DMK, the Notice of Opposition filed by Reebok International Ltd., is, as it is hereby SUSTAINED. Accordingly, Application Serial No. 4-2006-006455 filed by Respondent-Applicant, Peter Goh Hai San on 16 June 2006 for the registration of the Mark "DMK DEVICE" used for goods under classes 25, namely: footwear and their components. Namely cushioning soles, heel, heel inserts, inner soles is, as it is hereby REJECTED.

Let the filewrapper of "DMK AND DEVICE" be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 13 February 2009.

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