

TOYS 'R' US, INC.,  
Opposer,

INTER PARTES CASE NO. 3775 & 3810  
Opposition to:

- versus-

Serial No.72389  
Date Filed: 03 July 1990  
Trademark: "SHOES 'R' US"  
-and-

Serial No.: 72390  
Date Filed: 03 July 1990  
Trademark: "SHOES 'R' US CORP."

SHOES 'R' US CORPORATION  
Respondent-Applicant.

X-----X

DECISION NO. 97-24

### DECISION

This pertains to the consolidated cases docketed as Inter Partes Case Nos. 3775 and 3810.

In Inter Partes Case No. 3775 "TOYS 'R' US", Opposer, corporation of the State of Delaware, United States of America with business address at 461 Fram Road, Paramus, New Jersey 07652, United States of America, filed an opposition for the registration of the trademark "SHOES 'R' US" for engaging in selling garments and footwear under class 35 filed on July 03, 1990 under Serial no. 72389 in the name of "SHOES 'R' US, CORP. (Applicant) which application was published in January-February 1992 issue of the Official Gazette Vol. V, No. 1 of the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) released on March 10, 1992.

In Inter Partes Case No. 3810, the parties involved are the same and the trademark is "SHOES 'R' US".

The grounds for the opposition to the registration of the marks involved are as follows:

1. Applicant is not entitled to register the service mark/trademark SHOES "R" US which is confusingly similar to the corporate name/tradename TOYS "R" US owned and unabandoned by Opposer as to be likely, when applied to or used in connection with the services or goods of the Applicant, to cause confusion or mistake in the trade or to deceive purchasers thereof to such an extent that the services or goods covered by the said mark SHOES "R" US of Applicant may be mistaken by the unwary public to be that of the Opposer or that Applicant may be mistaken as an affiliate of or in any way connected with Opposer s business;
2. The registration and use of the mark SHOES "R" US violates the rights and interests of Opposer to tradename/trademark/corporate to name TOYS "R" US and is for all intents and purposes, an act, of competition contrary to honest practice in industrial or commercial matters and constitutes unfair competition in breach of Article 8 and 10 bis of the Paris Convention of March 20, 1883 as amended at Lisbon, October 31, 1958 of which the Philippines became a member on September 27, 1965 and under Section 37 of Republic Act. No. 166, as amended;
3. The registration of the mark SHOES "R" US in the name of Applicant has caused and will cause great irreparable injury and damage to the Opposer within the meaning of Section 17 Republic Act No. 166, as amended."

To support the opposition, Opposer will prove and rely upon, among other facts, the following:

1. Opposer is a well-known retailer of toys and other type of merchandise specifically designed for children such as children's furniture, sporting goods such as footwear, headwear, bikes, clothing, computers, electronic games and other related goods such as pools and the like using the trademark/ tradename/ corporate name TOYS "R" US.
2. Opposer also operates a store called KiDS "R" US which sells children's clothing;
3. To protect its propriety rights to the trademark/tradename/corporate name TOYS "R" US, Opposer registered said mark not only in its home country, the United States, but in other countries, including the Philippines. Attached and made parts hereof as ANNEX "A" is a copy of Certificate of Registration No. 42887 for TOYS "R" US issued by this Honorable Bureau on January 24, 1989 and as ANNEX "B" a listings of Opposer's worldwide registration for the TOYS "R" US mark;
4. Opposer's mark is a strong mark. Opposer has Succeeded in opposing every "R" US application for registration in every field and/or of goods;
5. Opposer products bearing the TOYS "R" US mark are sold and distributed worldwide that it has now become a recognizable and internationally renewed mark for the Opposer;
6. In addition, the mark TOYS "R" US has gained for the Opposer a valuable goodwill due to the superior quality of products bearing said mark and widespread and extensive advertising and promotion that Opposer has given to products bearing the TOYS "R" US mark;
7. Opposer's predecessors-in-interest first used the trademark TOYS "R" US as early which constitutes a reproduction and imitation of the trademark/ tradename/ corporate name of Opposer since the prefix of both marks are descriptive;
8. The most essential and dominant part of the Applicant's mark is the designation of "R" US which constitutes a reproduction and imitation of the trademark/ tradename/ corporate name of Opposer since the prefix of both marks is descriptive;
9. Applicant's goods and those of Opposer are identical or are related. The registration and use of an identical mark by Applicant on his goods are likely to confuse or deceive the purchasing public into believing that the goods of Applicant are made by, originate from or are under the sponsorship of Opposer. Applicant obviously has clear intentions to palm-off its products as those of Opposer and to trade and is trading on Opposer's goodwill;
10. The registration and use of the mark SHOES "R" US by other persons like the Applicant will definitely dilute and diminish the distinctiveness of Opposer's internationally well-known TOYS "R" US trademark registered in its name with the BPTTT and in several countries of the world."

The main issue to be resolved is whether or not the use of the trademark SHOES "R" US and SHOES "R" US CORPORATION on Respondent-Applicant's goods or services would likely cause confusion, mistake or deception upon purchasers as to the source or origin thereof.

Our Trademark Law, particularly Section 4(d) thereof, provides as follows:

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

xxx

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename 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.”

On April 23, 1992, a Notice to Answer was sent to Respondent-Applicant by registered mail through its Counsel with Return Card No. 2092. For failure of the Respondent-Applicant to file Answer within the reglementary period allowed, it was declared in default (Order No. 93-481 dated July 13, 1993). Moreover despite receipt of the Order of Default by Respondent-Applicant on (Order No. 93-481 dated July 27, 1993 and Order No. 93-518 dated August 18, 1993) respectively, Respondent-Applicant did not even file a motion to set aside or any pleading related thereto. Accordingly, Opposer was allowed to present its evidence ex-parte consisting of Exhibits “A” to “LLL” inclusive of their submarkings.

Under Philippine jurisprudence, colorable imitation implies similarity. However, this does not mean such a similitude as amounts to identify. One test given is that if the form, marks, contents, words or other special arrangement or general appearance of the words of the alleged infringer's device are as such as would be likely to mislead persons in the ordinary course of purchasing the genuine articles, then the similarity is such as entitles the injured party to equitable protection.

It is therefore, not necessary that the matter sought to be protected be literally copied. Difference or variations or similarity in the details of one device or articles of those another are not the legally accepted tests whether an action based on confusing similarity exists. It is sufficient that the substantial and distinctive part of the main or essential or dominant features of mark copied or imitated in another (Co Tiong Sa vs. Director of Patents, 95 Phil. 1).

In connection with the use of a confusingly similar or identical mark, it has been ruled, thus:

“Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numerals etc. as to justify one who really wishes to distinguish his products from those of all others entering the twilight zone of a field already appropriated by another.” (Weco Products Co. vs. Milton Ray Co., 143 F 2d, 985, 32 C.C.P.A. Patents 1214)

“Why of the million of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.” (American Wire & Cable Co. vs. Director of Patents, 31 SCRA 544)

It is thus, very clear, that Respondent-Applicant merely adopted its trademark from the Opposer. The inescapable conclusion is that Respondent-Applicant is merely riding on the reputation of the Opposer's mark, for in the unlimited field of choice, what could have been the Opposer's purpose in selecting SHOES “R” US if not for its fame?

The foregoing conclusion is all the more strengthened when Respondent-Applicant allowed itself to be declared in default (Order No. 93-481 dated July 13, 1993) for it was recently held by the Supreme Court in *Delbros Hotel Corporation vs. Intermediate Appellate Court*, 159 SCRA 533 (1988) 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 had shown in protecting the mark it had applied for registration contrary to the disputable presumption that, "a person takes ordinary care of his concern" enunciated in Sec. 3(d) of rule 131 of the Rules of Court.

WHEREFORE, premises considered the opposition is SUSTAINED. Trademark application bearing Serial No. 72389 and Serial No. 72390 for the trademark “*SHOES 'R' US CORPORATION*” used engaging in selling garments and footwear are, hereby REJECTED.

Let the filewrapper of those cases be forwarded to Application Issuance and Publication Division for appropriate action in accordance with this Decision. Likewise, a copy of this Decision be furnished the Trademark Examining Division to update its records.

SO ORDERED.

Makati City, December 24, 1997.

EMMA C. FRANCISCO  
Director