INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

VANS, INC.,	}	**IPC NO. 14-2016-00700**
Opposer,	}	Opposition to:
	}	Appl'n. Serial No. 4-2016-009458
- versus -	}	Date Filed: 09 August 2016
CONGYAN SHI,	}	**TM:**
Respondent-Applicant,	}	

x----------x

NOTICE OF DECISION

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CONGYAN SHI
Respondent-Applicant
2-5E Richview Residences
33 Ortigas Street, Pasay City

GREETINGS:

Please be informed that Decision No. 2017 - 376 dated 09 November 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 10 November 2017.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

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DECISION

VANS, INC.[1] ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2016-009458. The application filed by CONGYAN SHI[2] ("Respondent-Applicant"), covers the mark for use on "*clothing, footwear, headgear*" under Class 25 of the International Classification of Goods. [3]

The Opposer alleges the following:

"1. The registration of the "V" design logo is contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines (IP Code), as amended, which prohibits the registration of a mark that:

xxx

"2. The Opposer is the owner of the well-known VANS mark and related marks (collectively, "VANS Marks"), among others, which are registered with the Philippine Intellectual Property Office ("IPO").

xxx

"3. The VANS Marks are also registered or pending registration in the name of the Opposer in various countries around the world. xxx

"4. Respondent's "V" design logo mark is confusingly similar to the Opposer's well-known VANS Marks as to likely to deceive or cause confusion, if it has not already deceived or caused confusion.

xxx

"4.2. Respondent's "V" design logo mark also closely resembles the Opposer's FLYING V LOGO mark, in particular. xxx

xxx

"4.3. The registration and use of the Respondent's "V" design logo mark on goods in class 25, the same class under which the Opposer's VANS Marks are used and registered will likely deceive, if they have not already deceived consumers by suggesting a connection, association or affiliation with the Petitioner, thereby causing substantial damage to the goodwill and reputation associated with the VANS Marks.

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[1] A foreign corporation organized and existing under the laws of Delaware U.S.A. with address at 6550 Katella Avenue, Cypress, California 90630.
[2] A resident here in the Philippines with address at 2-5E Richview Residence, 33 Ortigas Street, Pasay City.
[3] The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

"5. Hence, the registration of the Respondent's "V" design logo mark will be contrary to Section 123.1 (d) of the IP Code in relation to Section 3 of the IP Code and Article 2 of the Paris Convention for the Protection of Industrial Property.

xxx

"6. Opposer is entitled to the benefits granted to foreign nationals under Section 3 of the IP Code, which provides:

xxx

"7. The Opposer's VANS MARKS are well-known and famous. Hence, the continued registration of the Respondent's "V" design logo mark constitutes a violation of Articles 6bis of the Paris Convention in conjunction with Section 3, 123.1 (e) and 123.1 (f) of the IP Code;

"8. Opposer has used the VANS MARKS in the Philippines and elsewhere prior to or way before the filing date of the Respondent's mark. The Opposer continues to use the VANS Marks in the Philippines and in numerous other countries worldwide.

"9. The Opposer has also extensively promoted the VANS Marks worldwide. Over the years, the Opposer has obtained significant exposure for the goods and services upon which the VANS Marks are used in various media, including television commercials, outdoor advertisements, internationally well-known print publications and other promotional events. Opposer also maintains its website www.vans.com which is accessible to internet users worldwide including those from the Philippines.

"10. Respondent's mark, which is confusingly similar to the Opposer's well-known and registered VANS Marks, was applied for registration in evident bad faith, with prior knowledge of the Opposer's rights to the VANS Marks and with intention to ride on the fame, established reputation, and goodwill of the Opposer's VANS Marks. Respondent knew Opposer's prior and exclusive rights to the well-known and registered VANS Marks.

"10.1 The Opposer filed a petition for cancellation of the registration of the VANSTAR AND LOGO mark under Registration No. 4-2010-750043, registered with the Honorable Office on 24 March 2011 by the Respondent. The petition for cancellation was docketed as IPC No. 14-2013-00007.

"10.2 This Honorable Office ruled in favor of the Opposer, cancelling Respondent's VANSTAR AND LOGO mark under Registration No. 4-2010-750042. It was held that the Respondent's VANSTAR AND LOGO mark was confusingly similar to Opposer's VANS Marks which was adopted and used prior to that of Respondent. xxx

xxx

It further declared the Respondent to be in bad faith in designing a confusingly similar mark as to that of the Opposer. xxx

xxx

"10.3 Prior to the cancellation of the VANSTAR AND LOGO mark, Opposer filed a notice of opposition to Respondent's trademark application for a VANSTAR mark under Trademark Application No. 4-2014-013117 on the basis of Opposer's prior rights to the VANS Marks. The opposition was docketed as IPC No. 14-2015-00130, and is still pending.

"10.4 It is worth noting that after the cancellation of Respondent's VANSTAR AND LOGO mark, Respondent applied for registration of its VENSTAR and "V" design logo marks under Trademark Application Nos. 14-2016-009456, 4-2016-009457, and 4-2016-009458. xxx [W]ith respect to its "V" design logo, it merely omitted the downward written 'VANSTAR' element of its previously cancelled VANSTAR AND LOGO mark.

"10.5 In addition to VENSTAR and "V" design logo marks applications, Respondent also recently applied for a FANSTAR mark and another VANSTAR mark under Trademark Application Nos. 4-2016-012700 and 4-2016-012699, respectively.

xxx

"10.6 Further, Respondent's bad faith is even made more apparent due to the fact that despite the cancellation of the VANSTAR AND LOGO mark, Respondent continues to market the cancelled VANSTAR AND LOGO mark up

to the present.

Hence, Respondent's bad faith precludes the ripening of a right to the mark in Respondent's favor. If trademark is obtained fraudulently or in bad faith may be cancelled, with more reason should a pending application made in bad faith be denied registration, as in the case of Respondent's mark.

"11. The Opposer has not consented to the Respondent's use and registration of the "V" design logo mark, or any other mark identical or similar to the Opposer's well-known and registered VANS Marks .

"12. Respondent's use of the "V" design logo mark would mislead the consumers into believing that its goods originate from, under the sponsorship of the Opposer. Therefore, potential damage to the Opposer will be caused as a result of Opposer's inability to control the quality of the products put on the market by the Respondent under the "V" design logo mark.

"13. The use of the Respondent's "V" design logo mark in which is identical or confusingly similar to the Opposer's registered and well-known VANS Marks will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's well-known VANS Marks.

"14. The denial of the registration for the "V" design logo mark under Trademark Application No. 4-2016-009458 by this Honorable Office is authorized and warranted under the provisions of the IP Code."

Opposer's evidence consists of the following:

1. Legalized Affidavit of Kim Racine;
2. List showing the details of the applications and/or registrations for the VANS marks worldwide;
3. Certified copy of representative samples of certificates of registration for the VANS marks;
4. Samples of materials used in promoting the VANS marks;
5. Screenshots of the Opposer's website featuring the VANS mark;
6. Screenshots of Opposer's Facebook pages;
7. Computer printout of trademark details report for VANS marks under Registration No. 4-1990-071139 from IPOPHL Trademark Database;
8. Computer printout of trademark details report for VANS under Registration No. 4-2001-001708 from IPOPHL Trademark Database;
9. Computer printout of trademark details report for VANS under Registration No. 4-1989-067644 from IPOPHL Trademark Database;
10. Computer printout of trademark details report for VANS under Registration No. 4-1999-004914 from IPOPHL Trademark Database;
11. Computer printout of trademark details report for VANS under Registration No. 4-1990-073024 from IPOPHL Trademark Database;
12. Computer printout of trademark details report for VANS under Registration No. 4-2006-003559 from IPOPHL Trademark Database;
13. Computer printout of trademark details report for VANS under Registration No. 4-2011-015275 from IPOPHL Trademark Database;
14. Computer printout of trademark details report for VANS OFF THE WALL SKATEBOARD LOGO under Registration No. 4-2011-015290 from IPOPHL Trademark Database;
15. Computer printout of trademark details report for VANS FLYING V LOGO under Registration No. 4-2011-015285 from IPOPHL Trademark Database;

16. Computer printout of trademark details report for V IN A CIRCLE LOGO under Registration No. 4-2011-015287 from IPOPHL Trademark Database;
17. Affidavit of Atty. Marites Surtida;
18. Table of all stores in the Philippines where VANS products are sold;
19 Photographs and/or samples of materials used in marketing and promotion of VANS marks;
20. Affidavit of Jacqueline V. Garcia;
21. Summary result of the result of the market survey;
22. Copy of the General Information Sheet of Venceway Corporation;
23. Pictures of purchased Vanstar footwear;
24. Picture of Landmark Department Store Receipt;
25. Computer printout of the trademark details report for Opposer's waffle sole and checkerboard design downloaded from IPOPHl website; and
26. Legalized Certificate and Special Power of Attorney.

This Bureau issued on 27 February 2017 a Notice to Answer and personally served a copy thereof to the Respondent-Applicant on 14 March 2017. Despite receipt of the Notice, Respondent-Applicant failed to file the answer. On 23 October 2017, the Respondent-Applicant was declared in default for failure to file the answer. Hence, this case is now submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended.

Should Respondent-Applicant's mark  be allowed registration?

Opposer anchors its opposition of Section 123.1 (d), (e) and (f) of the Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), as amended, which provides:

Section 123.*Registrability*. - 123.1. A mark cannot be registered if it:

x x x

(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;

(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;

(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 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.

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, or a well-known mark, said mark cannot be registered.

Records will show that at the time Respondent-Applicant filed his trademark application on 09 August 2016, Opposer already has an existing registration for its mark VANS as early as October 2006 for goods under Class 25. The first application for registration of the mark VANS was applied on an earlier date which was on 14 April 1989. Thereafter, Opposer obtained other registrations for its mark VANS and other variants here in the Philippines for other goods in Classes 9, 14, 18, 25, 35, and 41, including the mark VANS FLYING V LOGO, and V in a CIRCLE LOGO. As such, the certificate of registration in its name is a *prima facie evidence* of the validity of its registration, its ownership of the mark and its exclusive right to use it in connection with the goods and/or services and those that are related thereto, pursuant to Section 138 of the IP Code. Thus, the Opposer has the right to oppose the application for registration of a mark which is similar or resembles its VANS Marks, as in this case.

But, does Respondent-Applicant's mark resemble that of Opposer such that confusion or even deception is likely to occur?

The marks of the parties are herein reproduced for comparison:

VANS

Opposer's Marks

Respondent-Applicant's Mark

A comparison of the marks of the parties would show that Respondent-Applicant copied Opposer's FLYING V LOGO and made some modifications to escape a finding of confusing similarity. However, its attempt to do so failed miserably. Even with the manipulation made by Respondent-

Applicant to make his mark look different, by adding two geometric shapes at both sides of the letter "V", his marks still resembles that of Opposer's FLYING V mark since he adopted the prominent or distinguishing feature of Opposer's mark. Because of the resemblance and similarity of his mark to that of Opposer, there is likelihood that consumers will be confused, mistaken or deceived into believing that the mark of Respondent-Applicant is connected, associated or affiliated with that of Opposer's or that it is one of variations of Opposer's marks.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. In the same light, the adoption of the distinguishing feature of Opposer's mark and adding some elements thereto cannot avoid a confusion. 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[4]. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article[5].

Further, it is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks 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 is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.[6] The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:[7]

> Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

In this case, the goods to which the parties use their respective marks are also competing, similar and related. Because of the similarity of the marks and of the goods upon which the marks are used, it will likely cause confusion, mistake or deception on the part of the public that the goods of Respondent-Applicant are manufactured by or sourced from Opposer or vice versa.

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4 *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.
5 *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.
6 *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.
7 *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

Moreover, the application for registration of Respondent-Applicant's mark is tainted with fraud or bad faith. Opposer has been selling VANS shoes since 1987 and it is one of the popular brands of shoes in the country. Since Respondent-Applicant belongs to the same industry as that of Opposer, i.e. shoe manufacturing, it is very hard to accept that Respondent-Applicant did not know of Opposer's mark and its product at the time he applied for registration of his "V" design logo mark. As such, it can be deduced that because of the popularity of Opposer's shoes, Respondent-Applicant designed a confusingly similar mark in order to ride on the popularity of Opposer's goodwill and reputation.

The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising shortcut, which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, due aim is the same – to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.[8]

Succinctly, the allowance of registration of the Respondent-Applicant's "V" design logo mark, which is confusingly similar to Opposer's FLYING V LOGO mark adopted and used prior to the filing of application for registration by Respondent-Applicant, will be contrary to the provisions of Section 123.1 (d) of IP Code. Thus, the same must be denied.

WHEREFORE, premises considered, the instant Opposition is hereby ***SUSTAINED***. Let the filewrapper of Trademark Application Serial No. 4-2016-009458 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 09 NOV 2017.

MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

[8] *Supra, note 4.*