

NBA PROPERTIES, INC.,	}	Inter Partes Case No. 3693
Opposer,	}	Opposition to:
	}	
	}	Serial No. : 70791
-versus-	}	Date Filed : February 7, 1990
	}	Trademark : "LAKERS"
	}	Goods : Men's briefs & t-shirts
HERIBERTO D. TIU	}	Decision No. 2000 - 04
Respondent-Applicant.	}	February 3, 2000
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DECISION

The instant Notice of Opposition was filed by NBA Properties, Inc. against the application for registration of the trademark "LAKERS" with Serial No. 70791 used on men's brief and t-shirts, by Respondent Heriberto D. Tiu. The trademark application was published for opposition on page 42 of the Official Gazette No. 3, Vol. IV and officially released for circulation on June 28, 1991.

Opposer NBA is a United States corporation with address at Olympic Tower, 645 Fifth Avenue, New York, New York 10022 U.S.A. Respondent Tiu, on the other hand, is a Filipino citizen and doing business at No. 134, A. Bonifacio Avenue, Quezon City.

The grounds for the present Opposition are as follows:

"1. Opposer is the owner of subsisting registrations and has existing applications for registration the world over of the internationally famous trademark LOS ANGELES LAKERS, the Opposer's LOS ANGELES LAKERS which is a well-known throughout the world and in the Philippines and has gained both international and local consumer recognition as belonging to one source or origin. Being a well-known trademark, "LOS ANGELES LAKERS" is entitled to protection under Article 6 bis of the Paris Convention.

"2. The mark LAKERS under Serial No. 70791 of Respondent-Applicant is confusingly similar to the Opposer's trademark LOS ANGELES LAKERS and is entitled a reproduction of the essential part of the said trademark which Opposer owns and has not abandoned.

"3. Respondent-Applicant's adoption of the mark LAKERS was done in bad faith with the illegal and immoral intention of cashing in on the immense popularity and goodwill of the Opposer LOS ANGELES LAKERS trademark.

"4. The unauthorized and illegal use of the words "LAKERS" tends to create in the mind of the buying public the impression that the products on which the mark is used is sponsored by or come from the same source or origin to the great damage and prejudice of Opposer.

"5. The Opposer's trademark LOS ANGELES LAKERS, has for its essential and dominant feature the word "LAKERS" as a contextually distinctive and fanciful construct not in general use. Respondent-Applicant's illegal adoption and use of the same mark causes its dilution.

"6. On the ground of confusing similarity, the registration of the mark LAKERS in favor of the Respondent-Applicant will run contrary to Paragraph (d) of Section 4, Republic Act No. 166, as amended, as well as the pertinent rules of the Revised Rules of Practice in Trademark Cases, and will be violative of the Treaty Obligation of the Philippines under the Paris Convention."

Opposer relied on the following facts to support its opposition:

"1. Opposer is the owner of the symbol of the National Basketball Association and individual NBA team symbols including name symbols, colors, insignia and any design/logo relating thereto including the mark LOS ANGELES LAKERS and logo.

"2. Opposer NBA Properties Inc. owns registration in the countries the world over of the LOS ANGELES LAKERS trademark and logo. Certified copies of the aforesaid registrations will be presented during the hearing on the merits.

"3. Opposer owns a copyright registration for the mark 'LOS ANGELES LAKERS' and design in the Philippines under Certificate of Copyright Registration No. 4949 issued by the Philippine National Library on January 18, 1984. A copy of the said registration, certified by the National Library, will be presented during the hearing on the merits of the case.

"4. Opposer's trademark LOS ANGELES LAKERS has long been established and has obtained general international consumer recognition and goodwill as belonging to the owner or origin, the Opposer herein.

"5. Opposer's LOS ANGELES LAKERS mark is well-known throughout the world and in the Philippines and said mark had become distinctive of Opposer's goods and business.

"6. Opposer's trademark LOS ANGELES LAKERS, had been widely broadcast on televised basketball of the National Basketball association including Los Angeles Lakers games broadcasting in the Philippines and set forth on the attached schedule.

"7. Opposer had made extensive advertisements of the LOS ANGELES LAKERS trademark in the Philippines and worldwide. In sponsoring NBA games, Opposer deals in a variety of promotional goods and materials bearing the trademark LOS ANGELES LAKERS. A catalogue of goods which Opposer deals in bearing the trademark LOS ANGELES LAKERS will be presented in evidence in the course of the hearing on the merits.

"8. The trademark LAKERS of Respondent-Applicant is confusingly similar to Opposer's mark LOS ANGELES LAKERS as to be likely, when applied to the goods or when used in connection with the goods of Respondent-Applicant, to cause confusion and to mislead consumers as to the actual source of origin of the goods of Respondent-Applicant and falsely suggest a connection between Respondent-Applicant's mark and Opposer's world famous mark. Confusion will necessarily arise because Opposer's goods and Respondent-Applicant's goods will run in the same channels of trade.

"9. Respondent-Applicant adopted the LAKERS mark knowingly and in bad faith with full knowledge of the existence and popularity of the Opposer's mark and with an illegal intention to trade and capitalize upon the immense goodwill that Opposer's mark has generated."

In Respondent's Answer, he alleged inter alia, the following special and affirmative defenses:

“2. Opposer has no legal capacity to sue or oppose the registration of the respondent-applicant trademark as provided for in Section 21-A of Republic Act No. 166.

“ The Opposer is a foreign corporation with address at Olympic Tower, 645 Fifth Avenue, New York, New York 10022 U.S.A. which is not licensed to engage in business in the Philippines. xxx”

“3. Assuming arguendo that Opposer can sue or has the legal capacity to oppose the registration of Respondent-applicant’s trademark LAKERS, STILL THE Opposition itself states no cause of action. xxx”

The parties were called for a Pre-Trial Conference but were not able to reach an amicable settlement. Thus, this Office ordered the presentation of the parties’ respective evidences and witnesses in a series of hearings called for the purpose.

Before going over the merits of this case, it is imperative that this Bureau should determine foremost the Opposer’s capacity to sue in the Philippines.

The Supreme Court in the case of *Western Equipment and Supply Co. v. Reyes* (51 Phil. 155) held that a foreign corporation which has never done any business in the Philippines and which is unlicensed and unregistered to do business here, but is widely and favorably known in the Philippines through the use herein of its product bearing its corporate and trade name, has a legal right to maintain an action in the Philippines to restrain the residents and inhabitants thereof from organizing a corporation therein bearing the same name as the foreign corporation, when it appears that they have personal knowledge of the existence of such a foreign corporation, and it is apparent that the purpose of the proposed domestic corporation is to deal and trade in the same goods as those of the foreign corporation.

In the U.S. case of *Hanover Star Mining Co. v. Allen & Wheeler Co.* (208 Fed. 513), the following observation is well-stated, it said: “(S)ince it is the trade and not the mark that is to be protected, a trademark acknowledges no territorial boundaries of municipalities or states or nations, but extends to every market where the trader’s goods have become known and identified by the use of the mark.”

Guided by these doctrinal principles, this bureau concludes that the herein Opposer has the legal personality to sue in this particular case.

Going to the issue, the arguments of the respective parties all point to one focal issue, that is, whether or not there is confusing similarity between the marks “LOS ANGELES LAKERS” and “LAKERS” as used on their respective products.

Republic Act No. 166, as amended, which was the law in effect and in force at the time the trademark application of Respondent was submitted and the corresponding Opposition thereto of the herein Opposer was filed, should govern in the resolution of the instant Opposition proceeding.

Under the said R.A. 166, as amended, more particularly Section 4 (d) thereof, it said that:

“Sec.4. Registration of trade-marks, trade-names and service-marks on the principal register. – There is hereby established a register of trade-marks, trade-names or 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:

(d) Consists of or comprises a mark or trade-name which so resembles a mark of 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 mistakes or to deceive purchases; or

xxx

On the basis of the evidence presented, Opposer's mark "LOS ANGELES LAKERS" as used for a variety of products such as hosiery, footwear, T-shirts, sweatshirts, sports shirts, nightshirts, shirts, sweatpants, tank tops, jerseys, shorts, pajamas, sweaters, etc. (Exhs. "A", "B", "C", "F", "G", "H" inclusive of sub markings), and Respondent-Applicant's "LAKERS" mark as used for men's brief and T-shirts (Exhs. "2", "3", "4", "5", "8" and "9", "10" inclusive of sub markings) would show that these products bearing the subject marks are similar, related, competitive and flow on the same channel of trade.

With the word "LAKERS" being the dominant features of both marks, consumers and patronizers alike would be confused as to the origin or source of these trademarks if they would be sold commercially in the market altogether. Thus infringement arising out of this confusing similarity is inevitable.

As held by the Supreme Court in the case of *Co Tiong Sa v. Director of Patents*, (95 Phil. 1 [1965]):

"The question of infringement should be determined by the test of dominancy. The dissimilarity in size, form and color of the label and the place where applied are not conclusive. If the competing label contains the trademark of another, and confusion or deception is likely to result, infringement take place, regardless of the fact that the accessories are dissimilar. Duplication or exact imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate."

The parallel case of *NBA Properties, Inc. v. Paramount Vinyl Products Corp.* (Decision No. 97-14) decided by the Director of the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) on November 06, 1997, is instructive, it said that:

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"The trademark BOSTON CELTICS of Opposer is almost identical to the trademark CELTICS of Respondent-Applicant and as shown by Exh. "D" and sub markings and Respondent's application of the mark CELTICS, the goods of the parties are also similar or related and are sold in the same channel of trade. Therefore, the simultaneous use of both mark by the two contending parties involved herein would likely to cause confusion or mistake in the mind of the purchasing public as to the origin or source of the commodity, hence, Respondent-Applicant's application should never be allowed."

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As regards the allegation that herein Opposer's trademark is internationally well-known, the Director of Patents in the same Decision vividly opined that:

"As to the issue of whether CELTICS is a well-known mark, Article 6bis of the Convention adhered to the principle of territoriality not in the strict sense, in that use in the country where protection is sought is not required; it suffices that

such marks are considered by the competent authority of the country where protection is sought, to be well-known in that country as being already the mark of a person entitled to the benefits of the Convention and used for identical and similar goods.

“The aforesaid principle is applicable in the present case since the United States and the Philippines are signatories to the Paris Convention.

“Also in compliance with the criteria set by Memorandum of Minister Roberto Ongpin on well-known marks dated 25 October 1983 which confirmed our obligations under the Paris Convention for the Protection of Industrial Property, xxx

“Moreover, this office also takes cognizance of the fact that in the Philippines wherein basketball is a No.1 sport, NBA games and the various teams playing therein such as the BOSTON CELTICS is well-known to Filipinos, old and young alike, hence, it is safe to conclude that BOSTON CELTICS is indeed a well-known mark.”

As like the Boston Celtics, the mark LOS ANGELES LAKERS or LAKERS is endeared in the minds of the Filipinos as one of the most popular and known basketball teams in the NBA so much so that use of the same as trade mark or trade name for any line of products by another would create an impression that it originated from the herein Opposer or falsely suggest a connection therewith.

This is what R.A. 166, as amended, sought to avoid because if the goods bearing the trademarks of another turned out to be of inferior quality, the damages cause in terms of reputation and goodwill to the original bearer of this trademark would become irreparable.

Inversely, the law cannot and will never allow an infringing trademark whose goods are of equal or superior quality than that of the original to have an unwanted share in the accumulation of profits which otherwise would have appropriately belonged to the rightful owner thereof.

IN VIEW OF THE FOREGOING, the instant Notice of Opposition is hereby SUSTAINED. Accordingly, Application Serial No. 70791 for the registration of the trademark “LAKERS” is hereby, REJECTED.

Let the filewrapper of the mark LAKERS subject of this case be forwarded to the Administrative, Financial and Human Resource Development Services Bureau for appropriate action in accordance with this Decision with a copy furnished the Bureau of Trademarks for information and to update its records.

SO ORDERED.

ESTRELLITA BELTRAN-ABELARDO
Director