

SCHOLASTIC INC.,
Opposer,

IPC No. 14-2010-00327
Opposition to:

-versus -

Application No. 2-2009-013109
Date Filed: 21 December 2009
TM: "EUREKA SCHOLASTIC
PUBLISHING, INC.,"

EUREKA SCHOLASTIC
PUBLISHING INC.,
Respondent.
X-----X

Decision No. 2012-10

DECISION

SCHOLASTIC INC., ("Opposer") filed on 17 June 2011 an Opposition to Trademark Application Serial No. 4-2009-013109. The application filed by EUREKA SCHOLASTIC PUBLISHING INC, ("Respondent-Applicant") and which covers the mark "EUREKA SCHOLASTIC PUBLISHING, INC.," for the use on "*books, textbooks, workbooks, worktext, magazines*" under Class 16 of the International Classification of goods.

The Opposer alleges among others, the following:

- "1. The use of trademark "SCHOLASTIC" in the corporate name and trademark 'EUREKA SCHOLASTIC PUBLISHING, INC.,' applied for registration by Respondent-Applicant is identical and confusingly similar with Opposer's registered marks 'SCHOLASTIC' and 'SCHOLASTIC & DESIGN' for goods falling under Classes 9, 16, and 35; and, tradename SCHOLASTIC INC.,' being in use not only the Philippines since August 1998 and also in various countries of the world up to the present.
- "2. The trademarks 'SCHOLASTIC' and 'SCHOLASTIC & DESIGN' registered as part of the corporate name of the Opposer as well as a part of the trade name used by the Opposer in the Philippines, cannot be used as a trademark by any third party under Article 8 provision of the Paris Convention for the Protection of Intellectual Property of which the Philippines is a member country; and, and under Section 165.2 (b) of R.A.8293, as amended, otherwise known as the New Intellectual Property Code of the Philippines. The pertinent provisions of the said treaty and the law cited are as follows:

x x x

- "3. In addition to the following, the tradename and at the same time the trademark 'SCHOLASTIC' made part of the corporate name and mark 'EUREKA SCHOLASTIC PUBLISHING, INC.,' applied for by the Respondent-Applicant is a well known corporate name and tradename and mark and has been in use and is already registered in the name of Opposer in the Philippines and in various countries all over the world long before the Respondent-Applicant's unauthorized use of the subject wordmark 'SCHOLASTIC' which is identical with Opposer's Corporate name, tradename and trademark 'SCHOLASTIC' for CLASS of goods identified as Class 16, among others, and Opposer and its License have been actively and aggressively promoting and advertising the 'SCHOLASTIC' mark.
- "4. The registration of Opposer's tradename, corporate name and trademark 'SCHOLASTIC' in the name of Respondent-Applicant will run counter to the provisions of the New Intellectual Property Code of the Philippines as well as

the rule barring the registration of trademarks or their derivatives such as the Opposer's trademark and tradename, and corporate name 'SCHOLASTIC' in the name of a third party such as Respondent-Applicant whose obvious purpose in using the name and mark 'SCHOLASTIC' as part of its corporate name and mark 'EUREKA SCHOLASTIC PUBLISHING INC.' is to ride on the goodwill of the registered Corporate name and mark of the Opposer.

- "5. The registration of the Opposer's tradename and registered trademark 'SCHOLASTIC' in the name of the Respondent-Applicant will also be in violation of Opposer's proprietary rights and interest on the said Corporate name, tradename and trademark and its use will mislead the general public to believe that Opposer has authorized Respondent-Applicant to use said Corporate name and registered 'SCHOLASTIC' of Opposer in their corporate name and tradename to identify their Company with that of Opposer's Company and/or its business activities; and/or, further mislead the general public that Respondent-Applicant's business is in any way connected with or related to the Opposer's business organization and/or its business activities; and/or, mislead the general public to believe that the Respondent-Applicant is subsidiary of Opposer company authorized to undermine the quality of its own products disposed off through its own local clientele under its own tradename in the Philippines.
- "6. The registration of the trademark 'SCHOLASTIC' in the name of Respondent-Applicant also, will not only cause confusion and/or the likelihood of confusion as to the business itself of Respondent-Applicant in relation to that of Opposer's and mostly as to its source and mislead the general public, but also would make it more convenient for the Respondent-Applicant to pass off its business as those of Opposer's or its authorized licensee, or, at the very least, pass off its business as being connected to or emanating from the authority given by the Opposer which definitely would result in damage and/or prejudice to the interest of both the purchasing public and the Opposer Company itself.
- "7. The registration of the trademark 'SCHOLASTIC' in the name of Respondent-Applicant as part of its name and mark will violate the proprietary rights and interests of the Opposer over its trademarks 'SCHOLASTIC', 'SCHOLASTIC & DESIGN' and its corporate tradename 'SCHOLASTIC INC.' that would undoubtedly result and/or cause great and irreparable injury to the Opposer's corporate name, tradename and trademark as well as its rights and interest thereon as the duly registered owner of the said marks 'SCHOLASTIC' and 'SCHOLASTIC & DESIGN' covered by Certificates of Registrations Nos. 4-2002-006803, 4-2009-010545 and 4-2002-006802, attached hereto as Exhibit 1,2, and 3, respectively.
- "8. Further, the registration of the mark of Opposer 'SCHOLASTIC' in the name of Respondent-Applicant will not only necessarily result in the weakness of the marks of Opposer and as stated above, result in further damage to the proprietary rights and interest of Opposer on its marks but also dilute their effectiveness which under the prevailing laws as well as under the provisions of the "Treaty of Paris for the Protection of Industrial Property mentioned above, are supposed to be protected under the local laws."

The Opposer submitted as evidence print-outs of information in its website regarding their international operations, certificate of its trademark registration in the United States of America ("U.S.A."), certificates of registration for the mark 'SCHOLASTIC' and variations it obtained in the Philippines, affidavit of its Vice President and General Counsel Andrew S. Hedden, as authenticated by the Philippine Consulate in New York, certificate of its incorporation

issued by the New York Department of State, U.S.A., and promotional materials to cause its products to be known to the general public in the Philippines.

This Bureau issued a Notice to Answer on 19 July 2011 and served upon a copy of thereof to the Respondent-Applicant. While the Respondent-Applicant filed on 19 August 2011 a motion for the extension of time to file Answer, it did not pay the prescribed fee. In the Order No. 2011-1336, the Hearing Office required the Respondent-Applicant to pay the aforementioned fee. The Respondent-Applicant did not comply. Instead, it filed a second motion for extension of time to file Answer but again did not pay the fee.

Considering that there was no basis to grant the Respondent-Applicant's motions for extension of the period to file answer on account of its failure to pay the prescribed fees, and that no answer was actually filed, the instant case therefore was deemed submitted for decision based on the Verified Notice of Opposition and evidence submitted by the Opposer.

It is emphasized that the essence of the trademark registration is to give protection to the owners of the trademarks. The function of trademark is to point out distinctly the origin or ownership of the goods to which it is applied; to secure to him who has been instrumental in bringing into the market a superior article of merchandise; the fruit of his industry and skill; to assure the public that they procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.

Thus, Sec. 123.1 (d) of Rep. Act. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such mark as to be likely to deceive or cause confusion.

Records show that at the time the Respondent-Applicant filed its trademark application on 21 December 2009, the Opposer already has an existing trademark registration for the mark 'SCHOLASTIC' under Reg. No. 4-2002-006803 dated April 14, 2005. This registration covers pre-recorded audio cassettes and CD-ROMs, printed matter, namely books, fiction books, non-fiction books, reference books, teacher resource books, workbooks, activity books, bookmarks, newspapers and catalogues, mail-order catalogue services featuring general merchandise for children, namely books, posters, multimedia products, toys and games, software and CD-ROMs, under classes 9, 16, 35. These goods and services are similar and/or closely related to those indicated in the Respondent-Applicant's trademark application. The Opposer also submitted evidence that its mark 'SCHOLASTIC' is part of its corporate name and first used in 1920, followed by registration on 05 August 1930 in the U.S. Patent Office.

The competing marks are reproduced below for security:

SCHOLASTIC

Opposer's mark



Respondent-Applicant's mark

The Opposer's mark is a word mark while the Respondent-Applicant's is a composite one. Among the features present in the Respondent-Applicant's mark are the words 'SCHOLASTIC PUBLISHING, INC.'. These words are prominently displayed such that they immediately draw the eyes of an on-looker.

In this regard, since the Respondent-Applicant uses or will use its mark on publications, the words 'SCHOLASTIC PUBLISHING, INC.', not the "EUREKA" nor the torch and other figures in the mark, point out the origin of the goods. Consumers can easily comprehend or conclude that the goods are manufactured, produced or originated from a company named 'SCHOLASTIC PUBLISHING, INC.'.

The presence, however, of the words 'SCHOLASTIC PUBLISHING, INC.' rendered the Respondent-Applicant's mark confusingly similar to the Opposer's. To the eyes of a consumer, there is practically no distinction between 'SCHOLASTIC PUBLISHING, INC.' on one hand, and the Opposer's mark "SCHOLASTIC" and corporate name "SCHOLASTIC INC." because the marks and names cover the same and/or closely related goods. The consumers are likely to confuse the Respondent-Applicant's with the other party and vice-versa, and/or to assume that there is a connection or association between the parties and their respective businesses, when in fact there is none.

Accordingly, this Bureau finds that the registration of the Respondent-Applicant's mark is proscribed by Sec. 123.1 (d) of the IP Code.

It is stressed that the laws on trademarks and tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premises that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another.

WHEREFORE, premises considered, the instant opposition is hereby SUSTAINED. Let the file wrapper of Trademark application Serial No. 4-2009-013109 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 12 January 2012.

ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs