

YALE UNIVERSITY,	}	IPC NO. 14-2008-00090
Opposer,	}	Opposition to:
	}	
- versus -	}	Serial No.: 4-2007-0011402
	}	Date Filed: 11 October 2007
EDRALYN BORNILLO,	}	Trademark: "YALEX"
Respondent-Applicant.	}	
x-----x	}	DECISION NO. 2009-44

DECISION

This pertains to a Verified Opposition filed on 18 April 2008 by herein opposer, Yale University, a foreign non-profit corporation organized and existing under the laws of the United States of America, with business address at No. 2 Whitney Avenue, New Haven, CT 06510, U.S.A., against the application filed on 11 October 2007 bearing Serial No. 4-2007-011402 for the registration of the trademark "YALEX" used for goods in Class 25 of the Classification of Goods, for T-shirts, blouse, sando, skirts and polos, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 21 December 2007.

The respondent-applicant is Edralyn Bornillo with registered address at Bldg. No. 1, Unit No. 2 South Terminal Commercial Center, 3030 Taft Avenue Extension, Pasay City.

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

1. Opposer is the first to adopt, use and register the "YALE" trademark and its derivatives ("YALE" mark, for brevity).
2. There is likelihood of confusion between opposer's "YALE" trademarks and Respondent-Applicant's "YALEX" mark because the latter's mark is identical in sound, spelling and appearance to the former's "YALE" trademarks.
3. The Opposer's "YALE" trademarks are well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large.
4. The Respondent-Applicant, by using "YALEX" as its mark, will give its product the general appearance of Opposer's related products/services, which would likely influence purchasers to believe that its "YALEX" products are those supervised and authorized by the Opposer, hence guilty of unfair competition as provided in Section 168.3 of R.A. No. 8293.
5. The mark "YALE" being registered for educational services under class 41 is protected under Section 165 of R.A. 8293 even prior to or without registration against unlawful acts such as its unauthorized use.

The allegations of facts are as follows:

- "1) The Opposer's "YALE" trademarks, with registrations and application worldwide, are well-known internationally and in the Philippines.

The Opposer "YALE" trademarks have been used, promoted and advertised for a considerable duration of time and over wide geographical areas. Opposer has invested tremendous amount of resources in the promotion of the "YALE" trademarks through articles and advertisements published in well-known magazines, books, journals, and brochures, to name a few. Opposer also

maintains a website, www.yale.edu. A book entitled "Yale: College Programs of Study Fall and Spring Terms 2007-2008" is attached as Exhibits "A".

There is already a high degree of distinction of the Opposer's "YALE" trademarks having been used in commerce as early as 1814. Having been in existence since 1702, YALE has earned international acclaim, as well as the distinct reputation of a provider of high quality educational services. As evidence of its worldwide popularity, international students have made their way to Yale since the 1830s, when the first Latin American students enrolled. The first Chinese citizen to earn a degree at a Western college or university came to Yale in 1850. Today, international students make up nearly 9 percent of the undergraduate student body, and 16 percent of all students at the University.

Today, Yale is ranked fourth (4th) among the top 40 universities in the world by Newsweek magazine. Its 11,000 students come from all fifty American states and from 108 countries. Filipinos are among the many international scholars who have studied at Yale University. At present, there are about 114 living Yale alumni in the Philippines.

Attached as Exhibits are copies of the statistics of Yale University Alumni living outside of the U.S. by country as Exhibits "B" to "B-3" and Annual Report International Students and Scholars 2007-2008 as Exhibit "C".

In addition, worldwide certificates of registrations for "YALE" trademarks for international classes 41, 9, 11, 12, 14, 16, 17, 18, 20, 21, 24, 25, 26, 27, 28, 35, 37, 42, 45, 52 and 112 as well as a listing of all registrations and applications worldwide are attached x x x.

2) There is likelihood of confusion between Respondent-Applicant's "YALE" mark and Opposer's "YALE" trademarks.

Being an exact reproduction Opposer's "YALE" trademark, the Respondent-Applicant's "YALE" mark is undoubtedly confusingly similar to Opposer's "YALE" trademarks in sound, spelling and appearance as would likely influence the purchasers to believe that Respondent-Applicant's products are those of the Opposer's. Confusion is made more certain since the Respondent-Applicant's "YALE" trademark and Opposer's "YALE" trademarks are both used for identical goods falling under the same international class 25.

It bears stressing that the mark "YALE" was originally adopted by the Opposer being the name of its benefactor, the Welsh merchant Elihu Yale, who had donated the proceeds from the sale of nine bales of goods together with 417 books and a portrait of King George I to Yale College (now Yale University) in 1718.

3) The use of Respondent-applicant's "YALE" mark for its products would indicate a connection to the products/services covered in Opposer's "YALE" trademarks hence, the interest of the Opposer are likely to be damaged.

Respondent-Applicant's products are clearly identical to Opposer's products/services covered by its "YALE" trademarks. The use by Respondent-Applicant of the "YALE" mark for its products will definitely mislead the public into believing that its products originate from Opposer or that Respondent-Applicant is associated with or an affiliate of the Opposer.

The flagrant and veritable imitation of herein Opposer's "YALE" trademarks is likely to cause confusion, mistake and deception to the buying public as to the source and origin of Respondent-Applicant's products.

It is therefore, obvious that it is the resultant goodwill and popularity of Opposer's "YALE" trademarks that Respondent-Applicant wishes to exploit and capitalize. Accordingly, the use and approval for registration of Respondent-Applicant's "YALE" trademarks which is protected by law. Such will most assuredly cause the dilution and loss of distinctiveness of Opposer's "YALE" trademarks as well as cause irreparable damage and injury to Opposer.

Undoubtedly, the use, sale, and distribution by the Respondent-Applicant of "YALE" products will inflict considerable damage to the interests of the Opposer. To allow Respondent-Applicant to register the "YALE" mark for its products will constitute a mockery of our laws protecting intellectual property rights. It will legitimize its unfair and unlawful business practice. x x x

4) The mark "YALE" is Opposer's trade name and is protected under Section 165 of Republic Act (R.A.) 8293 even prior to or without registration against unlawful acts such as its unauthorized use by Respondent-Applicant.

The Opposer has the right to protect its tradename against unlawful acts particularly against any use likely to mislead the public. x x x

The use by Applicant-Registrant of Opposer's trade name will undoubtedly mislead the public that its products are those of the Opposers."

Respondent-applicant submitted its Verified Answer dated 04 July 2008, which specifically denies the allegations contained in paragraphs 1, 2, 3, 4, 5 and 6 of the grounds enumerated; and paragraphs 1, 2, 3 and 4 of the allegations of facts in the Opposition.

The following Special and Affirmative Defenses are further set forth, to wit:

6. The registration of respondent's mark will not prejudice the Opposer. The claim that respondent's mark "YALEX" is similar to Opposer's mark "YALE" is totally without any factual and legal bases. In order to determine whether the mark sought to be registered is identical or confusingly similar to other marks, the inquiry should be directed to the mark sought to be registered, the entire commercial impression or representation of the mark and the goods on which it is used or for which it is registered. A close comparison of the labels actually used by respondent-applicant on its goods and that of the Opposer would readily reveal the apparent dissimilarity between the two marks. The two marks in their entirety are different and distinct from each other. The respondent's mark consists of the capital letters "YALEX" whereas the labels of the Opposer consists of the marks "Yale" and below it is the word "UNIVERSITY". Copies of the respondent-applicant's labels are hereto attached as Annex "1". Obviously, the two marks are totally distinct from each other not only in style and representation but in appearance, spelling, number of letters, number of syllables and in pronunciation as well.

7. The Respondent-Applicant has been using the trademark "YALEX" in commerce on T-shirts, polo shirts, blouse, skirts, jeans, short pants, and pants from the time it file its trademark application on October 2007 up to the present. Attached herewith and made integral part of this Answer as Annex "2" are photos of respondent-applicant's T-shirts on which the mark is used.

8. Respondent-Applicant's products bearing the mark "YALEX" are sold/distributed to various commercial establishments in the Philippines nationwide x x x

9. Respondent-Applicant has never made any representations to the public that her products are derived from or related with the Opposer. The public has known that Respondent-Applicant's products are locally made and are in no way related to any goods coming from other countries or abroad. With these representations, the purchasing public has come to know, rely upon and recognize the quality of Respondent-Applicant's products.

10. It is the Respondent-Applicant who first appropriated and exclusively used the mark "YALEX" on T-shirts, polo shirts, blouse, skirts, jeans, short pants and pants in this jurisdiction. No proof has been presented by the Opposer to show its bonafide commercial use of the mark in the Philippines. Records would show that Opposer never conducted any business nor promoted its mark in the Philippines, thus belying its claim that it is a well-known mark here. It may be known to Filipinos who have gone abroad or studied in the said university but it is generally unknown to the public as a commercial brand for T-shirts, polo shirts, blouse, skirts, jeans, short pants and pants. While Opposer may have actually used in commerce the mark in other jurisdictions, there is no evidence to show that the mark was adopted, used and sold in commerce within this territory under Class 25.

11. It is worth stressing that Opposer has no existing registration or pending application for the mark "YALEX" filed with the Intellectual Property Office (IPO) of the Philippines to date.

12. Under Sec. 123.1 (e) of RA 8293 it is explicitly provided therein that: x x x
Simply put, for a mark to be accorded "well-known status", it is a requirement that the mark must be considered by competent authority in the Philippines to be well-known not only in the international market but in the Philippines as well. Opposer failed in proving this requirement of the law. There is no evidence to support the mark's "notoriety" in this jurisdiction. It has been ruled that mere ownership of various certificates of registration worldwide is insufficient to accord a "well-known status" to a mark unless the owner can also prove the mark's "notoriety" in the Philippines.

13. In claiming that it will be damaged by the registration of the Respondent-Applicant's published mark, Opposer is relying heavily on its well-known status as an educational institution. While it is true that Opposer is a well-known and highly respected educational institution worldwide, such well-known status cannot be used as basis to exclude third parties from using the mark on other goods such as T-shirts, polo shirts, blouse, skirts, jeans, short pants, and pants. Opposer is not primarily engaged in the commercial sale or distribution of products bearing the mark "YALE" under Class 25. Hence, Opposer cannot be damaged by the use of the respondent-applicant of the mark "YALE" on these goods.

14. Every product has its own separate threshold for confusion of origin. The greater the value of the product, the more careful the typical consumer can be expected to be.

It is humbly submitted that even the possibility of mistaken association in the minds of the purchasing public regarding Opposer's products vis-à-vis Respondent-Applicant's products is very unlikely. First of all, Opposer's products are far more expensive compared to the goods sold by the respondent-applicant. Secondly, Opposer's products would bear labels stating that such goods are

made abroad; whereas, Respondent-Applicant's products are all locally made. Even the establishments selling or distributing the products of the two parties are different. As shown by opposer's evidence, its goods under Class 25 can only be purchased exclusively at the Yale bookstore in the United States. Apparently, there are no other commercial establishments selling Opposer's goods to the public. Meanwhile, Respondent-Applicant's T-shirts, polo shirts, blouse, skirt, jeans, short pants bearing the mark "YALEX" are sold and distributed by Philippine establishments only. With the foregoing, there is simply no irreparable harm or damage posed to the Opposer by Respondent-Applicant's use of the mark "YALEX", since those who deal with Opposer's products are discriminating purchasers and would not mistakenly associate the Opposer from the respondent-applicant.

15. Furthermore, granting that Opposer has rights to the mark "YALE", Opposer's rights are of narrow scope on account of the existing trademarks registration at the Intellectual Property Office (IPO) of the Philippines for marks which are identical to the Opposer's mark. It should be noted that some of these registrations also fall under the same class as that covered by the foreign registrations owned by the Opposer and yet these marks were allowed registration. x x x

16. In sum, it is clear that as between the Respondent-Applicant and the opposer, it is the former who stands to be prejudiced and damaged should the instant Opposition be sustained. Respondent-Applicant has sufficiently proven that it is the first and prior user of the trademark "YALEX" in the Philippines on T-shirts, polo shirts, blouse, skirts, jeans, short pants and is therefore entitled to protection against herein Opposer."

Thereafter, opposer filed its Reply dated 11 July 2008 reiterating on the following: (1) Respondent-Applicant has adopted in its: "YALEX" mark the dominant features of the Opposer's "YALE" trademarks; (2) Respondent-Applicant's "YALEX" mark is an infringement of and confusingly similar to Opposer's "YALE" trademarks; (3) Scope of protection afforded to a trademark includes the normal potential expansion of its business, hence, confusion is more likely; and (4) Respondent-Applicant failed to rebut issue of confusing similarity.

On respondent-applicant's Rejoinder dated 01 August 2008, it averred that opposer failed in establishing that its mark "YALE" should be accorded well-known status in this jurisdiction. Respondent-applicant further refuted that its mark "YALEX" is a colorable imitation of opposer's mark. A close perusal of the labels actually used by Respondent-Applicant on its goods vis-à-vis the Opposer's mark would readily reveal the glaring and apparent dissimilarities of the marks. Finally, respondent-applicant enumerated six (6) trademark registration to an identical mark "Yale", some of which even covering the same class, were opposer did not institute any opposition case.

Subsequently, during the Preliminary Conference set for this instant case, parties failed to reach into amicable terms. The conference was terminated on 22 January 2009 and parties were directed to file their respective position papers and, if desired, draft decisions within a non-extendible period of ten (10) days from receipt of the order directing them to do so.

In compliance to Office Order No. 79, series of 2005, the following pieces of documentary evidence are submitted: (1) for the opposer, Annexes "A" to "M", inclusive of sub-markings of the Verified Opposition; (2) for the respondent-applicant, Annexes "1" to "8" of the Verified Answer

The Issue –

Whether or not respondent-applicant's applied trademark "YALEX" is entitled to registration under Section 123 (e) of the Intellectual Property Code.

A cursory reading of the provisions of R.A. 8293 or the Intellectual Property Code, specifically Section 123.1 (e), as cited by herein opposer, provides the criteria for the registration of a trademark, to wit:

"A mark cannot be registered if it:

x x x

(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 determination 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;
(Emphasis Ours.)

This provision provides for the following *concurring* requisites: (1) the registered mark is identical with, or confusingly similar to, or constitutes a translation of petitioner's mark; (2) the mark should be used for identical or similar goods or services and, (3) the opposer's mark is well-known internationally and in the Philippines, whether or not it is registered in the Philippines.

Let us discuss. The first requisite is the application of the principle of confusing similarity.

A perusal of the records show that opposer's "YALE" and respondent-applicant's "YALEX" trademarks are confusingly similar, illustrated hereunder:

YALE

YALEX

YALE UNIVERSITY

Opposer's Trademarks

Respondent's Trademark

It appears that the dominant feature in the contending marks is the word "YALE". The *Dominancy Test* as applied in Supreme Court decisions including *Asia Brewery, Inc. v Court of Appeals*, 224 SCRA 437; *Co Tiong vs Director of Patents*, 95 Phil. 1; *Lim Hoa v Director of Patents*, 100 Phil. 214; *American Wire & Cable Co. v Director of Patents*, 31 SCRA 544; *Philippine Nut Industry, Inc. v Standard Brands, Inc.*, 65 SCRA 575; *Converse Rubber Corp. v Universal Rubber Products, Inc.*, 147 SCRA 154 focuses on the similarity of the prevalent features, or the *main, essential and dominant features* of the competing trademarks which might cause confusion or deception. This is usually applied in composite marks, which consists of two or more features, one of which is dominant. If the dominant feature is imitated, or if such dominant feature is made a part of another composite mark, a case of confusing similarity may result.

While respondent-applicant's "YALEX" mark has the ending letter "E", making it aurally dissimilar, in the case of *Continental Connector Corp. vs. Continental Specialties Corp.*, 207 USPQ 60, the rule applied was that, the conclusion created by use of the same word as the

primary element in a trademark is not counteracted by the addition of another term. By analogy, confusion cannot also be avoided by merely dropping or changing one of the letters of a registered mark.

On the second requisite of similarity or relatedness of the goods, it appears from the records that opposer's "YALE" marks are registered for goods under Class 25 in the United States (Exhibit "I" and "I-1"). The same mark likewise appear that have been registered in the United States for several classes including: 36 and 37 (Exhibit "D" and "D-1"); 16 (Exhibit "E" and "E-1"); 41 (Exhibit "F" and "F-1"); 42 (Exhibit "G" and "G-1"); 24 (Exhibit "H" and "H-1"); 6, 8, 9, 11, 12, 14, 16, 18, 20, 21, 24, 26 and 28 (Exhibit "J" and "J-1"); and 35 (Exhibit "K" and "K-1"). The unauthenticated report further show that opposer's marks have registration and pending application in many countries in the world for several international classes including class 25. It appears, thus, that opposer's "YALE" marks are either registered or at the least sought to be applied for in other countries for goods similar or related to respondent-applicant's goods for which the subject mark "YALEX" is being applied for now in this jurisdiction.

On a relative note, it is a settled rule both in law and jurisprudence that the Law on Trademarks adheres to the principle of nationality and territoriality. As aptly put, the registration in USA and/or in other countries is not registration in the Philippines considering that USA is not Philippines.

In the case of Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft and Allied Manufacturing and Trading Co., Inc. GR No. L-19906, April 30, 1969, the Honorable Supreme Court has this to rule, to wit:

"Neither will the 1927 registration in the United States of the BAYER trademark for insecticides serve plaintiff any. The United States is not the Philippines. Registration in the United States is not registration in the Philippines. At the time of the United States registration in 1927, we had our own Trademark Law, Act No. 166 aforesaid of the Philippine Commission, which provided for registration here of trademarks owned by persons domiciled in the United States.

x x x

There is nothing new in what we now say. Plaintiff itself concedes that the principle of territoriality of the Trademark Law has been recognized in the Philippines, citing *Ingenohl vs Walter E. Olsen*, 71 L. ed. 762. As Callman puts it, the law of trademarks "rests upon the doctrine of nationality or territoriality."

Anent opposer's argument that its mark constitutes its corporate and business name hence, enjoys protection under Section 165 of the Intellectual Property Code. We cannot accede to this contention. According to jurisprudence, although protection is granted to owners of trade names, certain conditions must be present.

The Supreme Court in *Kabushiki Kaisha Isetan v. The Intermediate Appellate Court*, G.R. No. 75420, November 15, 1991 held:

"The mere origination or adoption of a particular trade name without actual use thereof in the market is insufficient to give any exclusive right to its use (*Johnson Mfg. Co. v. Leader Filling Stations Corp.* 196 N.E. 852, 291 Mass. 394), even though such adoption is publicly declared, such as by use of the name in advertisements, circulars, price lists, and on signs and stationery. (*Consumers Petroleum Co. v. Consumers Co.* of Ill. 169 F 2d 153).

The Paris Convention for the Protection of Industrial Property does not automatically exclude all countries of the world who have signed it from using a trade name which happens to be used in one country. To illustrate – If a taxicab or bus company in a town in the United Kingdom or India happens to use the trade name “Rapid Transportation”, it does not necessarily follow that “Rapid” can no longer be registered in Uganda, Fiji, or the Philippines.”

Finally, anent opposer’s allegation that its “YALE” marks are well-known which is further required in Section 123.1 (e), supra, what needs to be settled is that the mark, sought to be declared as well-known, has to be considered by the competent authority of the Philippines, that is, either the Director General of the Director of the Bureau of Legal Affairs (BLA), as well-known mark internationally and in the Philippines, provided that 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 obtained as a result of the mark’s promotion.

A careful perusal of opposer’s evidence would show that opposer has not dispensed by substantial evidence its allegation that its “YALE” marks are well-known in terms of the knowledge of it by the relevant sector of the public around the world as well as in the Philippines. Opposer’s evidence only consists of printouts from its website essentially about the Yale school system, the products from its bookstore, certificates of registration issued by the United States Patent and Trademark Office (USPTO) for the mark “YALE”, an unauthenticated list of living alumni outside of the United States of different “YALE” marks in different countries (Exhibits “A” to “M” and submarkings). These by themselves do not prove that opposer’s “YALE” marks are well-known to the relevant sector of the public in the world or in the Philippines for Class 25 goods.

Rule 102 of the Rules on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, provide, among others, that the extent to which the mark has been registered and used in the world may be taken into account in determining whether or not a mark is well-known. From the unauthenticated table of the status of applications for registration of opposer’s “YALE” marks, even assuming arguendo that this is admissible, it appears that opposer’s registration of the “YALE” marks for goods similar or related to respondent-applicant’s goods is confined only to the United States, and other foreign countries. This hardly qualifies opposer’s “YALE” marks as being internationally well-known. Use of the “YALE” marks, moreover, has not been adequately shown such that would prompt this Office to declare them as well-known. Moreover, evidence from the unauthenticated list of living alumni in the Philippines totaling to 114, assuming arguendo, too, that this is admissible, does not necessarily mean that opposer is already well-known in the Philippines.

Thus, opposer failed to meet the requirements set forth above to bar the application for registration of respondent-applicant’s mark “YALEX” under Section 123.1 (e), supra. Therefore, respondent-applicant’s applied trademark “YALEX” is entitled to registration under the laws.

IN VIEW of all the foregoing, the instant Verified Notice of Opposition is, as it is, hereby DENIED. Consequently, trademark application bearing Serial No. 4-2007-011402 for the mark “YALEX” on goods/services under Class 25 filed on 11 October 2007 by Edralyn Bornillo is, as it is hereby, GIVEN DUE COURSE.

Let the file wrapper of “YALE”, subject of this case be forwarded to the Bureau of Trademarks (BOT) together with a copy of this Decision for appropriate action.

SO ORDERED.

Makati City, 23 March 2009.

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