



BREEDERS' CUP LIMITED,
Opposer,

-versus-

METROPOLITAN ASSOCIATION
OF RACE HORSE OWNERS, INC.,
Respondent-Applicant.

X-----X

}
} IPC No. 14-2009-00187
} Opposition to:
} Appln. Serial No. 4-2008-010968
} Filing Date: 10 September 2008
} TM: "MARHO BREEDERS' CUP"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2013 - 19 dated January 30, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 30, 2013.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



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<i>Opposer,</i>	}	Opposition to:
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METROPOLITAN ASSOCIATION	}	TM: MARHO BREEDERS' CUP
OF RACE HORSE OWNERS, INC.,	}	
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2013- 19

DECISION

BREEDERS' CUP LIMITED ("Opposer")¹, filed on 29 July 2009 an Opposition to Trademark Application No. 4-2008-010968. The application filed by METROPOLITAN ASSOCIATION OF RACE HORSE OWNERS, INC. ("Respondent-Applicant")², covers the mark "MARHO BREEDERS' CUP" for use on *online/internet website and other forms of electronic media, namely, internet and mobile phone wallpapers and screen savers, video and/or audio recordings, and other forms of audio-visual productions for broadcast and/or for sale as CD/DVD or other electronic format under Class 9; trophies under Class 14; stationery, pens, magazines, newsletters, books, posters, money clips, coasters (paper), paper weights, drawings, paintings/prints and other form of artwork, pen holders, stationery and other paper goods, namely, albums, address books, daily planners, calendars (wall, desk, pocket and novelty type) and desk sets, print publications, namely, event souvenir programs, horse catalogs, horse pedigree charts, racing forms/programs under Class 16; umbrellas under Class 18; mugs, food baskets, beverage glasses, statues (crystal, earthenware, glass, terra cotta, porcelain), figurines under Class 21; t-shirts, caps/hats, trousers, jackets, parkas/windbreakers, sweaters, visors, golf hats, beach hats under Class 25; organization, fund-raising for, and staging of Annual MARHO Breeder's Cup Racing festival under Class 36; and production and publication of print souvenir magazines and/or programs, newsletters, books, and other forms of print publications, production and broadcast of audio-visual productions pertaining to the MARHO Breeder's Cup event and races, and other MARHO activities, and activities of its individual members related to horses under Class 41 of the International Classification of Goods*³. The Opposer alleges the following:

GROUNDS FOR OPPOSITION

"6. The approval of the application in question is contrary to Sections 123 (e) and (f) of Republic Act No. 8293, otherwise known as the Intellectual Code of the Philippines which provides as follows:

x x x

"7. The Opposer owns approximately 100 trademark registrations in 33

¹ A corporation organized and existing under the laws of the State of New York, U.S.A. with business address at 2525 Harrodsburg Rd., Lexington, KY 40544-4230, United States.

² A corporation organized and existing under the laws of the Philippines with business address at 3005 H. Santos Street, Barangay Carmona, Makati City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement concerning the International Classification of goods and services for the purpose of the Registration of marks concluded in 1957.

countries and its registrations are in multiple classes including entertainment services, namely, horse racing (41), apparel (25), and toys and games (28) to name a few. Almost all these registrations contain the internationally known and famous trademark 'BREEDERS' CUP'. Thus, this trademark and any of its derivative trademarks are also entitled to protection as a well-known mark under the pertinent provisions of Article 6bis of the Paris Convention (of which the Philippines is a signatory way back in 1965) which have been incorporated in Sections 123.1 (e) of the Intellectual Property Code.

"8. Respondent-Applicant's mark, "MARHO BREEDERS' CUP", is identical or confusingly similar to opposer's "BREEDERS' CUP" trademark, and depends and trades on the popularity and goodwill of the opposer's mark, and is likely to confuse, deceive and/or mislead the racing aficionados and purchasing public into believing that respondent-applicant's races, goods, apparel and merchandise are the same as or connected with the races and goods manufactured or sold by the opposer.

"9. The approval of the application in question will cause great and irreparable damage and injury to opposer. Thus, the opposer shall rely on the following facts to support and prove its opposition, reserving the right to present additional evidence to prove other facts, which maybe necessary in the course of these proceedings, depending upon the evidence which may be introduced by respondent-applicant;

"10. The Breeders' Cup World Championship is an international event which has been continuously held since 1984. Due to its worldwide popularity, Breeders' Cup Limited receives nominations annually for foals and stallions from many countries worldwide. For example in 2008, 14,600 foals and 1000 stallions were nominated across 12 countries. Over the last five years, nominations have been received from over 21 countries. Since the inception of the program, nominations have been received from the following 30 countries: Argentina, Australia, Barbados, Brazil, Canada, Chile, Columbia, France, Germany, Ireland, Italy, Japan, Korea, Mexico, New South Wales, New Zealand, Panama, Peru, Puerto Rico, Saudi Arabia, South Africa, Switzerland, Spain, Turkey, United Arab Emirates, United Kingdom, United States of America, Uruguay, Venezuela, and the Virgin Islands;

"11. Horses from fifteen (15) different countries have participated in the Breeders' Cup World Championships and the winners, so far, represent seven (7) different countries. Horses foaled in the following countries have started in the Breeder's Cup: Argentina, Australia, Brazil, Canada, Chile, France, Germany, Ireland, Japan, New Zealand, South Africa, United Arab Emirates, United Kingdom, United States of America, and Venezuela. Winners have represented Argentina, Canada, France, Germany, Ireland, and the United States of America. Qualifying races for the Breeders' Cup World Championships are held in several countries. In 2008, the USA, Canada, United Kingdom and Hong Kong hosted qualifying races. In 2009, qualifying races will be held in the USA, Canada, Hong Kong, Australia, England, Ireland, and France;

"12. In addition, the worldwide popularity of the Breeders' Cup World Championships enables wagers from all over the world to participate in the event. In 2008, the total Breeders' Cup World Championship's wagering was in excess of \$155,000,000.00. Simulcast wagering pm the Breeders' Cup World Championships has occurred in the USA, Canada, United Kingdom, Jamaica, Ireland, France, Switzerland, the Netherlands, Germany, Spain, Turkey, South Africa, Australia, New Zealand, Hong Kong, Brazil, Argentina, Peru, Colombia, Panama, Bermuda, Trinidad, Puerto Rico, Mexico, Venezuela, and Uruguay;

"13. Ever since the inaugural race held in 1984, opposer's "BREEDERS' CUP" trademarks for the horse and various classes of goods indicated earlier (par. 7, supra) have been in continuous use, and its products for a sufficiently long period of time. As briefly mentioned above, opposer owns approximately 100 trademark registrations in thirty-three (33) countries and its registrations are in multiple classes, including but not limited to entertainment services, namely, horse racing (41), apparel (25), and toys and games (28);

"14. To be sure, the long use of , and the large monetary amounts spent by the opposer for advertisement and promotion/publicity worldwide for the various events and goods bearing its trademarks which, together with the volume of sales of said goods, have contributed immensely to the international recognition acquired by the race events and goods of the opposer identified by said mark;

"15. Opposer's "BREEDERS' CUP" trademarks are well-known marks as evidenced by its numerous trademark registrations worldwide, the world wide recognition of the prestigious thoroughbred horse offered under the mark for over 25 years, and the great volume of its worldwide sales. The said trademark is advertised extensively in the United States, Canada and other countries through out the world, including those listed in paragraph 16 where the event is broadcast on television or radio, as shown by the active participation of several countries in its races and international wagering;

"16. In fact, the Breeders' Cup World Championship races are widely broadcast on television and radio. For the fourth straight year, ESPN will televise live the Breeders' Cup World Championships. The ESPN broadcast reaches the following geographical markets: the Pacific Rim, Latin America, the Caribbean, the Atlantic, North America and the Middle East, the United States of America and Canada;

"16.1. ESPN, Inc. is the world's leading multinational, multimedia sports entertainment company featuring a portfolio of over fifty (50) multimedia sports assets. With its numerous domestic and international outlets for broadcasting and information delivery - including television, radio, Spanish-language programming, the Internet, print and wireless systems - ESPN brings a broad array of promotional resources to thoroughbred racing and gives the worldwide audience access to this event;

"17. Other television and digital coverage is broadcast to Australia, New Zealand, Latin America, the Caribbean, Africa, the Middle East, Israel, Canada and the United States;

"18. The Breeders' Cup World Championships are also webcast over the internet by 360-Mexico and 360-U.S.;

"19. The BREEDERS' CUP" mark is known and very popular in the Philippines and this fact is known to respondent-applicant. As a matter of fact, respondent-applicant itself acknowledges that it borrows from such popularity in order to promote its "local version" of opposer's Breeders' Cup World Championship;

"19.1 In www.pinoysports.ph, an article described respondent-applicant's MARHO Breeders' Cup as the "local version of the U.S. Breeders' Cup";

"19.2 This article also provides that the public is well aware of Opposer's Breeders' Cup mark and demonstrates the public is actually confused as to whether Respondent's MARHO Breeders' Cup is the same as or affiliated with Opposer's Breeders' Cup;

"19.3 The respondent-applicant's website, www.marho.org, likewise describes its event as the local version of the Breeders' Cup World Championship;

"19.4 A review of respondent-applicant's website www.marho.org, reveals that the Philippine racing industry is fully aware of the past and current events in the international thoroughbred racing community. Moreover, respondent-applicant's 2007 Marho stallions' lineage list traced back said stallions to many international sires and dams. One stallion, Saliaway, has lineage tracing back to the "1995 US Breeders' Cup Distaff winner." This shows that those involved in the Philippine racing industry, respondent-applicant included, are well aware of the "Breeders' Cup" races sponsored by opposer;

"19.5 Undeniably, opposer's "BREEDERS' CUP" trademarks have therefore become very strong and popular marks with a well-established goodwill and solid business reputation throughout the world. The trademark has been used and in existence for 25 years and has earned the patronage and loyalty of people from all over the world.

"19.6 The foregoing examples demonstrate that respondent-applicant intends to capitalize on the good will and solid business reputation of Opposer's Breeders' Cup mark through its use of the "MARHO Breeders' Cup" mark;

"20. It bears stressing that respondent-applicant's "MARHO BREEDERS' CUP" mark is not registrable because it is ABSOLUTELY identical or confusingly similar to the above-mentioned "BREEDERS' CUP" trademarks of opposer, and is intended to capitalize on the popularity and goodwill of the opposer's mark and to confuse, deceive and/or mislead the public into believing that respondent-applicant's race events, goods and merchandise are the same as or connected with the events sponsored or goods manufactured or sold by opposer;

"21. The identity is clear. Both trademarks contain the exact same words - "BREEDERS' CUP", and pertain to the same nature of goods and race event. Hence, the likelihood of confusion is certain due to the identity between the marks of the opposer and the respondent-applicant;

"22. Having been registered in thirty-three (33) countries, it is clear that opposer's "BREEDERS' CUP" is not descriptive and is indeed capable of exclusive appropriation. Hence, the mark "BREEDERS' CUP" cannot be registered by respondent-applicant by simply qualifying it with the word "MARHO" because "BREEDERS' CUP" is the dominant portion of the mark applied for. In this connection, respondent-applicant's website shows that the word "MARHO" is very small and respondent-applicant appears to have intentionally emphasized the event as one associated with opposer's "BREEDERS' CUP";

"23. Respondent-applicant, in a malicious attempt to copy and infringe on the prior existing rights of opposer over its long standing use of the mark "BREEDERS' CUP", tried to imitate the same by copying all of the essential elements of the trademark and attempted to differentiate the present mark

application by adding the word "MARHO". In the end, however, there is no substantial difference between Opposer's mark "BREEDERS' CUP" and the applied for mark "MARHO BREEDERS' CUP". It must also be emphasized that the goods and events covered by both marks are exactly the same and are under the same class (Classes 41 and 25);

"24. Accordingly, opposer's "BREEDERS' CUP" trademarks have become firmly and widely identified with the race events and products of the opposer;

"25. In view of this, Sections 123 (e) and (f) of Republic Act No. 8293 and Article 6bis of the Paris Convention authorize the Intellectual Property Office to refuse all applications for trademarks which constitute a reproduction, translation or imitation of a trademark originally owned by a person, natural or corporate, who is a citizen of a country signatory to the Paris Convention for the Protection of Industrial Property and filed by other persons other than the original owners thereof."

The Opposer's evidence consists of the following:

1. copy of the list of Opposer's trademark registrations in different countries;
2. copy of the article entitled MARHO Breeders' Cup faces bigger challenges ahead posted in www.pinoysports.ph;
3. printout pages of respondent-applicant's website www.marho.org;
4. copies of certificates of foreign registrations;⁴

The Respondent-Applicant filed its Answer on 04 January 2010, alleging among other things, the following:

III. SPECIAL AND AFFIRMATIVE DEFENSES

"47. The VNO fails to state and Opposer has no, cause of action, for the following reasons:

First Defense: Opposer's mark "BREEDERS' CUP" is not confusingly similar with the Respondent-Applicant's mark "MARHO BREEDERS' CUP"

"48. It is now a well-entrenched rule that in determining whether a mark is confusingly similar to another, the test to be applied is the Dominancy Test, as held in McDonalds Corporation and McGeorge Food Industries, Inc. vs. LC Big Mak Burger, et al, where the Supreme Court, in no uncertain terms, threw Holistic Test out of the window to give way to the application of the Dominancy Test. Thus:

x x x

"49. As to what is the dominant feature of a mark consisting of letters or words, the rule is expressed as follows:

x x x

"50. But if a mark is a composite mark, i.e., consisting of a design and letters or word/s, it has been held that there is no general rule as to whether letters or design in composite mark.

⁴ Marked as Annexes "1" to "33".

"51. What will now be considered dominant in a composite mark is the element that is conspicuous. This is confirmed by rulings in various cases that a design element is dominant if its more conspicuous than the accompanying words.

"52. In the instant case, the mark applied for is a word mark, namely, the words MARHO BREEDERS' CUP. It is accompanied by any design and hence, it is not a composite mark.

"53. In this word or literal trademark, the dominant part will therefore be the word MARHO, because it is the first word of the trademark, following the above-cited rule, which again is quoted below by way of emphasis:

x x x

"54. On the other hand, it is unquestionable that Opposer's mark is a composite mark, consisting of a design involving a stylized drawing of a head of a handsome, and race-looking horse, and the words "BREEDERS' CUP, thus:

x x x

"55. The drawing is obviously the dominant portion because it is the one which is conspicuous.

"56. The words BREEDERS' CUP is but attached to the racing horse-head design to describe the characteristics of the design as one involving a race, which the meaning behind the word BREEDERS.

"57. To stress, the word CUP is a generic word that has come to be commonly recognized as designating the decorative vase or bowl, and when it is used in connection with a competitive event, it is descriptive of the prize given in the contest.

"58. And BREEDER is likewise a generic word that designates someone who raises animals or plants primarily for the purpose of breeding quality or high performance animals or plants for specific use, such as horses bred for racing.

"59. Clearly, the term BREEDERS' CUP, when used in connection with race horse competitions, is very much descriptive of the racing event itself, which is the racing of horses bred purposely for racing.

"60. Because BREEDERS' CUP is generic, then no party can claim exclusivity over these words.

"61. As such, the dominant features or elements in the contending marks would now be the word MARHO in the applied for mark of Respondent-Applicant, versus the racing horse-head design of Opposer. Thus:

x x x

"62. And it is obvious that these dominant elements are not at all similar in any manner.

Second Defense: Assuming that BREEDERS' CUP is the dominant feature in the contending marks, it is generic and hence, Opposer cannot claim exclusivity.

"63. Assuming arguendo that the dominant feature in the opposing marks is the BREEDERS' CUP element, nevertheless, Oppose cannot claim it as its own trademark.

"64. When the IP Code speaks of mark that is distinctive, it refers to a mark that is not generic or descriptive. Thus, the Code explicitly provides that a mark is considered not "registrable" or incapable of registration, if it "consist exclusively of signs that are generic for the goods or services that they seek to identify".

"65. And a mark is generic if its describes the product itself. Thus, as confirmed in McDonald's Corporation, et. al. vs. L.C. Big Mak Burger, Inc., et. al. case:

x x x

"66. This definition is confirmed in the case of Socite des Produits Nestle, S.A. And Nestle Philippines, Inc. vs. Court of Appeals, the court defined generic and descriptive terms, to wit:

x x x

"67. In the instant case, it needs no elaborate scrutiny to reach a conclusion that the words "BREEDERS" and "CUP" are generic or descriptive for the services that they represent. BREEDERS' CUP of Opposer, which is shown together with the drawing of the head of a racehorse, conveys the characteristic of the business of Opposer, which is thoroughbred horse racing.

"68. A "BREEDER" is "a person who participates the vocation of mating carefully selected specimens of the same breed to reproduce specific, consistently replicable qualities and characteristics". "BREEDER" is therefore a generic word that designates someone who raises animals or plants primarily for breeding purposes.

"69. A "CUP" on the other hand, is a "drinking container". The word "CUP" is a generic word that has come to be commonly recognized as designating the decorative vase or bowl which is given as a prize in a contest or a competitive event, as shown by the trophies or winning prizes in sporting cups like the world Cup or the Davis Cup.

"70. By the foregoing definitions, there is no denying that a "BREEDERS' CUP" refers to an event for breeders of a spectrum where a prize or a cup can be won. Clearly, the term "BREEDERS' CUP" when used in connection with race horse competitions, is not assuming the role of a trademark but is merely performing the generic function of the term. No single individual or entity has the right to claim the exclusive right to use "BREEDERS' CUP" because of the generic nature of this claim of this term or by reason of its descriptive properties at the very least.

"71. Thus, BREEDERS' CUP being clearly generic, it is beyond the reach of Opposer to claim ownership over it, and exclude Respondent-Applicant from using it.

Third Defense: *Use of BREEDERS' CUP is a fair use.*

"72. Assuming arguendo that BREEDERS' CUP is a capable of functioning as a trademark, still, the use by Respondent-Applicant of MARHO BREEDERS'

CUP can only be construed as nominative fair use that does not create any liability, for the principal reason that the relevant services on which it is used cannot be reasonably described in any other way without the use of "BREEDERS' CUP".

"Fourth Defense: Assuming that BREEDERS' CUP is not generic, Respondent-Applicant is the party that has trademark rights over the said mark because it i ste first to use the mark in the Philippines in 1996.

"73. There is no question that under Section 123.1 of the IP Code , it is explicitly provided that a mark with an earlier filing date will defeat a subsequent registration of the same mark by another, thus -

x x x

"74. In short, in a contest where the same mark is being claimed by different parties, it will be resolved by the rule that the first to file for trademark application will be the owner.

"75. This is because the IP Code now declares registration as te source of trademark rights. Thus Section 122 of the IPC provides -

x x x

"76. The lawmakers in passing the IP Code, made it explicit and categorical in their deliberation that this provision ABANDONS the first to use rule under the old Trademark Law.

"77. Thus, in the sponsorship speech of Sen. Roco on senate Bill No. 1719, clearly stated that:

x x x

"78. First to use, as a mode of acquiring ownership, is now only by way of exception, under the preservation of existing rights provision of the IP Code, namely, Section 236, which preserves the rights existing prior to the effective date of the IP Code, thus,

x x x

"79. The IP Code became effective on January 1, 1998, as provided in Section 241, thus:

x x x

"80. In the instant case, it can easily be seen that VNO is bereft of any claim or allegation that Opposer's BREEDERS' CUP was ever used in the Philippines prior to the 1998 effectivity of the IP Code.

"81. If there was ever first use by any party before 1998, this is by Respondent-Applicant.

"82. As afore-cited, in 1996, Puyat, along with eminent breeder and fellow MARHO leader Leonardo "Sandy" Javier, Jr., established the annual MARHO Breeders' Cup (MBC) program, which is only open to Philippine -bred runners.

"83. Thus, Respondent-Applicant is the party in this case who can point to its ownership of the mark BREEDERS' CUP because of its first use of the same in

1996, which first use is the source of ownership under the old Trademark Law that is now preserved under the IP Code.

"Fifth Defense. Respondent-Applicant is the owner of BREEDERS' CUP pursuant to the first-to-file rule under the IP Code.

"85. In the instant case, it is no longer a question on first use under the old Trademark Law, has now ripened into ownership based on the first to file rule of the new law, i.e., IP Code.

"Sixth Defense: Opposer's argument that its BREEDERS' CUP mark is well-known, does not hold water.

"Seventh Defense:Also, it cannot be a well-known mark because it is very much a weak mark, and as a rule, there is no confusing similarity that arises in the use of weak marks by different parties.

"Eight Defense: Respondent-Applicant need not ride on the alleged popularity of Opposer,

"Ninth Defense: Opposer's registrations outside the Philippines carries little weight."

The Respondent-Applicant's evidence consists of the following:

1. Affidavit of Leonardo Javier Jr., Chairman of the Board of Officer of Metropolitan Race Horse Owners;
2. 2008 MARHO BREEDER'S CUP Souvenir Magazine;
3. 2009 MARHO BREEDER'S CUP Souvenir Magazine;
4. Affidavit of Atty. Amando Aumento Jr.;
5. printout of web pages featuring the mark MARHO BREEDER'S CUP;⁵

On 20 April 2010, the Preliminary Conference was terminated. Then after, the parties filed their position papers on 17 May 2010.

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; 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 are 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.⁶ Thus, Section 123.1 (d) of the Intellectual Property Code which 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 a mark as to be likely to deceive or cause confusion.

Paragraphs (e) and (f) of the same Section also provides that a mark cannot be registered if it:

⁵ Marked as Exhibits "A" to "E-18".

⁶ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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 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;

Prior to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the Paris Convention for the Protection of Industrial Property, to which the Philippines is also a signatory, provided protection of well-known marks against reproduction, imitation or a translation of a confusingly similar mark used on identical or similar goods.⁷ With the accession by the Philippines to the TRIPS Agreement, the country's law on intellectual property were amended and codified. The IP Code, which took effect on 01 January 1998 amended among other things the country's law on trademarks and now expressly provide for the protection of well known marks.

Is the Opposer's mark internationally well-known?

Rule 102 of the Trademarks Regulations states that:

"Rule 102. Criteria for determining whether a mark is well-known. - In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- a. The duration, extent and geographical area of use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b. The market share in the Philippines and in other countries of the goods and/or services to which the mark applies;

⁷ Article 6bis of the Paris Convention states that:

Article 6bis
(Marks: Well-Known Marks)

(1) The countries of the Union undertake, ex officio if their legislations so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

- c. The degree of the inherent or acquired distinction of the mark;
- d. The quality image or reputation of the acquired mark;
- e. The extent to which the mark has been used in the world;
- f. The exclusivity of the use attained by the mark in the world;
- g. The commercial value attributed to the mark in the world;
- h. The record of successful protection of the rights in the mark;
- i. The outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- j. The presence or absence of identical or similar goods or services owned by persons other than the person claiming that his mark is a well known mark."

The evidence on record indicate that BREEDERS' CUP is well-known internationally and in the Philippines. The Opposer cited and submitted as evidence various certificates of registrations around the world. The Opposer has registrations for BREEDERS' CUP & DESIGN in Argentina, Australia, Benelux, Canada, Chile, China, Finland, France, Germany, Hongkong, Japan, Korea, Mexico, New Zealand, Panama, Puerto Rico, Singapore, South Africa, Spain, Switzerland, Taiwan, Thailand, Trinidad/Tobago, United Arab Emirates, United Kingdom, United States of America and Venezuela.⁸ These evidence show that Opposer's mark has attained recognition in various parts of the world. The Opposer also submitted printout pages of articles posted in websites www.pinoysports.ph⁹ and Respondent-Applicant's own website www.marho.org¹⁰ which shows that the Opposer's sponsored Breeders' Cup races are well-known in the Philippine racing industry and that Respondent-Applicant's itself acknowledges the popularity of Opposer's Breeders' Cup World Championship. Accordingly, the Opposer has satisfied the required combination of the criteria provided under the Trademark Regulations to establish that BREEDERS' CUP is well-known internationally and in the Philippines.

Now, is the Respondent-Applicant's mark identical or similar with the Opposer's mark?

The competing marks are depicted below for comparison:



MARHO BREEDERS' CUP

Respondent-Applicant's mark



Opposer's mark

⁸ See Annexes "2" to "29".
⁹ See Annex "31".
¹⁰ See Annexes "32" to "33".

It is obvious that, ornaments, font styles, and added word notwithstanding, the feature in both the Opposer's mark and the Respondent-Applicant's mark that stands out and draws the eyes and the ears are the term "BREEDERS' CUP". The combination or addition of the of the word MARHO written before the words BREEDERS' CUP is insignificant as to yield a distinct appearance because the words BREEDERS' CUP standing alone already creates confusion between the contending marks. Aptly, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.¹¹

Moreover, the Respondent-Applicant also deals or uses its mark in horse racing events, goods and products¹² that are the same as or connected to the Opposer's which means that it is a direct competitor of the latter. Thus, the consumers may assume that the Respondent-Applicant's racing events, goods or products originate from or sponsored by the Opposer or believe that there is a connection between them. The likelihood of confusion would subsist not only in the purchaser's perception of goods but on the origin thereof, as held by the Supreme Court to wit:

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, the 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 the belief that there is some connection between the plaintiff and defendant which, in fact does not exist.¹³

This Bureau finds untenable the Respondent-Applicant's assertion that the words BREEDER'S and cup are generic thus, Opposer cannot claim exclusivity over the words BREEDERS' CUP. The combination of the words "BREEDER" and "CUP" has acquired a registrable meaning that refers to the goods sold and race events conducted and organized by the Opposer. "BREEDERS' CUP" refers to the Breeders' Cup World Championships, incepted in 1984, which is an annual series of Thoroughbred horse races, most but not all Grade I, operated by herein Opposer, Breeders' Cup Limited, a company formed in 1982.¹⁴ It is also worthy to note that the mark BREEDERS' CUP is part of the corporate name or service name of Opposer's company, BREEDERS' CUP LIMITED. The legal protection of corporate name has been strengthened by the IP Code, such that any subsequent use of the trade name by a third party, whether as a trade name or mark or collective mark, or any such use of similar trade name or mark, likely to mislead the public, shall be deemed unlawful.¹⁵

The Respondent-Applicant also raises the issue of ownership. It argues that it is the party that has trademark rights over the mark BREEDERS' CUP because it is the first filer and user of the mark in the Philippines in 1996. In this instance, this Bureau emphasizes that it is not the application or registration that confers ownership of the

11 Societe Des Produits Nestle ,S.A. Vs, Court of Appeals, G.R. 112012, 4 April 2011, 365 SCRA 207, 217.

12 Opposer's registrations are in multiple classes including Classes 41, 25 and 28.

13 Sterling Products International Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et. al, G.R. No. L-19906, 30 April 1969.

14 Wikipedia, the free encyclopedia. en.wikipedia.org/wiki/Breeders'_Cup.

15 Section 165.2 (a), par. 2. supra.

mark, but it is the ownership of the mark that confers the right to registration. The Philippines implemented implemented TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 15 of the TRIPS Agreement reads:

Section 2: Trademarks
Article 15
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertaking, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of the period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

Article 16
Rights Conferred

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, the IP Code adopted the definition of the mark under the old law on Trademarks (Rep. Act 166), to wit:

12.1. "Mark" means any visible signs capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods;¹⁶

Sec. 122 of the IP Code states:

Sec. 122. How marks are acquired. The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provision of the law.

Corollarily, Sec. 138 of the IP Code provides:

SEC. 138. Certificates of Registration. - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.¹⁷ The registration is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and, therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Noroy Abyadang*¹⁸, the Supreme Court held:

"The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes *prima facie* evidence of the validity of the registration, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the *prima facie* presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity

¹⁶ Sec. 38, R.A. No. 166.

¹⁷ See Section 236 of the IP Code.

¹⁸ G.R. No. 183404, 13 October 2010.

of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, *i.e.* it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to the one who first used it in trade. "

In this instance, the Opposer proved that it is the owner of the contested mark. The records and evidence show that at the the time the Respondent-Applicant filed its trademark application, the Opposer has already been using and registered in many countries the mark BREEDERS' CUP & DESIGN. The Opposer submitted copies of its certificates of registration for BREEDERS' CUP & DESIGN issued in various countries. Some of these certificates were issued before the Respondent-Applicant's filing of trademark application on 10 September 2008 and alleged use of its mark MARHO BREEDERS' CUP in 1996. One of the certificates show that the Opposer's mark BREEDERS' CUP & DESIGN was registered in the United States Patent and Trademark Office on 09 April 1985 indicating its first use in commerce on 19 November 1983.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

Accordingly, this Bureau finds and concludes that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (e) and (f) of the IP Code.

WHEREFORE, premises considered, the instant Opposition is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2008-010968 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 30 January 2013.



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Director IV
Bureau of Legal Affairs