



DESCENTE, LTD.,
Opposer,

-versus-

TSF SYSTEMS, INC.,
Respondent-Applicant.

X-----X

} IPC No. 14-2009-00068
}
} Opposition to:
} Appln. Serial No. 4-2007-013135
} Date Filed: 27 November 2007
} Trademark: "TOBY'S SPORTS
} ARENA & DEVICE"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 – 180 dated September 25, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 25, 2012.

For the Director:


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



DESCENTE, LTD.,

Opposer,

- versus -

TSF SYSTEMS, INC.,

Respondent-Applicant.

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IPC Case No. 4-2009-00068

Case filed: 06 March 2009

Opposition to:

Appln. Ser. No. 4-2007-013135

Date filed: 27 November 2007

TM: "TOBY'S SPORTS ARENA &
DEVICE"

Decision No. 2012- 180

DECISION

DESCENTE LTD.¹ ("Opposer") filed on 06 March 2009 an opposition to Trademark Application Serial No. 4-2007-013135. The application, filed by TSF SYSTEMS, INC.² ("Respondent-Applicant"), covers the mark "TOBY'S SPORTS ARENA & DEVICE" for use on the following:

1. "towels" under Class 24;
2. "T-shirt, jogging pants, shirts, blouse, swim suits, shorts, wristbands, arm bands, head bands" under Class 25; and
3. "basketball shootout, wall climbing" under Class 41.³

The Opposer alleges, among other things, the following:

"1. The registration of the mark 'ARENA' in favor of Respondent-Applicant is contrary to the provisions of the Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines which provides:

Section 123. Registrability. 123.1.1 A mark cannot be registered if it: x x x

"2. The registration of the said mark in favor of the Respondent-Applicant is contrary to the commitments of the Philippines under the Paris Convention for the Protection of Industrial Property, as amended, providing amongst others that:

Article 6bis (1) The countries of the Union undertake, ex-officio if their legislation 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, liable to create confusion, of a mark considered by the competent authority of the country as being already 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.

"3. Herein Opposer's 'ARENA' trademark is well-known internationally in the Philippines and the registration of a confusingly similar mark in the name of the Respondent-Applicant covering the same, similar, identical, and related goods will undoubtedly cause grave and irreparable damage and injury to Opposer.

¹ A corporation duly organized under the existing laws of Japan with business address at 11-3, Dogashiba 1-chome Tennoji, Osaka-shi, Japan.

² A domestic corporation with address 143 Pasig Boulevard, Pasig City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

"The Opposer relied on the following facts to support its opposition:

"1. Opposer is the registered owner of the trademark "ARENA" in the Philippines, specifically follows: x x x

"2. Opposer is the registered owner of the trademark 'ARENA' in classes 9, 18, 24, 25 and 28 in various jurisdictions as evidenced by various Certificates of Registration issued in its name worldwide. These worldwide registrations of the said Opposer for the said mark have not been abandoned and are currently in force.

"3. Opposer has adopted and has been in continuous use of the trademark 'ARENA' in international trade commerce long before Respondent-Applicant filed the application subject of the instant opposition. Opposer[s] goods bearing the 'ARENA' mark are likewise widely known in the Philippines and has gained tremendous popularity amongst local followers.

"4. The trademark which Respondent-Applicant seeks to register is likely to cause confusion, mistake and deception to the public as to the source or origin of Respondent-Applicant's goods.

"5. Opposer has invested tremendous amount of resources in the promotion of its 'ARENA' trademark as a result of which said mark has gained local as well as international popularity and repute.

"6. In view of the prior adoption, use and worldwide trademark registrations for the 'ARENA' trademark of the Opposer, Respondent-Applicant is clearly not entitled to register the trademark 'TOBY'S SPORTS ARENA & DEVICE' in its favor.

"7. The registration of the trademark subject of the instant opposition will undoubtedly violate Opposer's rights and interests in their trademark 'ARENA' because of confusion between Opposer and Respondent-Applicant's businesses and products, and will most assuredly result in the dilution and loss of the distinctiveness of Opposer's 'ARENA' trademark."

The Opposer's evidence consists of the following:

1. Exh. "A": authenticated Special Power of Attorney of Descente LTD. signed by Etsuro Nakanishi;
2. Exh. "B": affidavit of Etsuro Nakanishi;
3. Exh. "B-1": list of outlets for ARENA branded products worldwide;
4. Exh. "B-2": detailed history of the ARENA trademark;
5. Exh. "B-3": copies of advertisements for the "ARENA" products appearing in magazines on various dates;
6. Exh. "B-4": selection of pages from the website <http://www.descente-onlineshop.jp>;
7. Exh. "B-5": list of Opposer's valid and existing trademark registrations as well as pending applications in various countries worldwide; and
8. Exh. "B-6": legalized copies of trade mark registrations for the mark "ARENA" from various countries worldwide.

This Bureau issued on 23 March 2009 a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 22 April 2009. The Respondent-Applicant filed its Answer on 05 May 2009. On 14 May 2009, the Opposer filed a Reply alleging among other things that the Respondent-Applicant's Answer was not verified and therefore should be considered as a mere scrap of paper. The Hearing Officer scheduled the case for a preliminary conference and terminated it on 07 October 2009. On the same day, the Respondent-Applicant filed a position paper. Five days later (12 October 2009), the Hearing Officer issued Order No. 2009-1524 directing the parties to submit their respective position papers. In compliance to the Order, the Opposer filed its position paper on 28 October 2009.

A scrutiny of the Answer filed by the Respondent-Applicant reveals that it is not actually verified. In this connection, Rule 2, Sec. 9 of the Regulations on Inter Partes Proceedings (as amended by Office Order No. 79), which govern this case, provides:

Section 9. *Petition or Opposition and Answer must be verified* – Subject to Rules 7 and 8 of these regulations, the petition or opposition and the answer must be verified. Otherwise, the same shall not be considered as having been filed.

Corollarily, Sec. 11 of the same Rule provides:

Section 11. *Effect of failure to file Answer* – In case the respondent fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary evidence submitted by the petitioner or opposer.

Should the Respondent-Applicant be allowed to register the mark TOBY'S SPORTS ARENA & DEVICE?

The Opposer anchors its case on Sec. 123.1 (e) of the IP Code which provides:

Section 123.1. 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 determining whether a mark is well-known, account shall be taken of the knowledge of the relevant section 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;

Rule 102 of the Trademark Regulations sets forth the criteria in determining whether a mark is a well-known mark, to wit:

- (a) the duration, extent and geographical area of any 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;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

The rule requires that the party claiming a mark to be well-known satisfies at least a combination of the above stated criteria.

This Bureau, however, finds the Opposer's evidence not sufficient to declare its mark ARENA a well-known mark. The certificates of registrations⁴ and the list of outlets⁵ where products bearing the mark are distributed and/or sold, cover only some countries in Asia including the Philippines.

The foregoing notwithstanding, Sec. 123.1(d) of the IP Code, provides however that a mark cannot be registered if it:

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- i. The same goods or services, or
- ii. Closely related goods or services, or
- iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Records show that at the time the Respondent-Applicant filed its trademark application on 27 November 2007, the Opposer has several existing trademark registrations for the mark ARENA, to wit:

Trademark	Registration No. & Date	Classes and Specification of Goods
ARENA	056151 Issued 23 Sept. 1993	Class 28 - Games, toys, parlour games; gymnasium and sporting articles (excepting clothes) including: balls, rackets, comprising tennis, table tennis, squash, badminton and racketball rackets; skid; ski coverings for sport and gymnastic articles, luggage adapted to contain sport articles; sport swimming and diving accessories, especially swimming glasses, swimming caps, swimming boards, pull buoys, paddles masks, flippers; knapsacks, mountaineering accessories; roller skates, roller boards and fittings thereof, helmets, ice skates, boxing gloves and helmets, hockey-sticks; golf clubs; bows for archery and their accessories, bowl for French petangue and other games of bowls. Class 25 - Clothes comprising trousers, skirts, dresses, jackets, including for sport and leisure, underwears, track-suits, overalls, skiing and winter sport clothes, rain clothes, shirts, chemisettes, pullovers, tee-shirts, sports tights, sport shorts and breeches, bathing suits, bathing wraps, beach-dresses, morning wrappers, bathing caps, sport gloves, notably skiing gloves or gold gloves, caps, stocking, socks, boots, sport shoes, and leisure shoes, sandals, slippers. Class 18 - Leather and imitation of leather, skins; trunks, valises and traveling bags; city bags beach-bags, sport-bags, hand-bags, suit cases, satchels, attaché-cases, pouches, note-cases, purses.
ARENA	4-1994-092373 Issued 28 Aug. 2000	Class 24 - Cotton fabrics, hem fibre fabrics, silk filament fabrics, woolen and worsted fabrics, chemical fibre fabrics, inorganic fibre fabrics, mixed fabrics, narrow width fabrics, paper fabrics, rubber covered yarn fabrics, chemical loop knit fabrics, silk loop knit fabrics, wool loop knit fabrics, cotton loop knit fabrics, embroidered lace fabrics, felt, non-woven textile fabrics, oil clothes, gummed clothes, vinyl clothes, rubberized clothes, filtering materials of textiles, towels and handkerchiefs.
ARENA	4-1994-092371 Issued 27 Sept. 2000	Class 09 - Eyeglasses, parts of glasses, eyeglass wipes, sunglasses, contact lenses, swimming goggles, cycling goggles, swimming boards, swimming float, life preserves, weight belt, wet suits, air tank and breathing apparatus for underwater swimming.

⁴ See Exh. "B-6".

⁵ See Exh. "B-1".

ARENA	4-1994-092372	Class 18 – Brief cases, shoulder bags, traveling bags, hand bags, attaché cases, suit cases, portable bags, luggages, Boston bags, rucksacks, sport bags, beach bags, pouches, waist bag, card cases, pass cases, name card holders, toiletries bags, purses, wallets, umbrellas, beach parasols and umbrella covers.
ARENA	4-1994-092688 Issued 01 Oct. 2005	Class 25 – Leotards, spats, overcoats, raincoats, sweaters, sports shirt, warm up suits, rain jackets, rain suits, polo shirts, cardigans, waist coats; underwear such as undershirts, pants, corsets, brassiere, pantyhoses, slips, petticoats, inner pads and inner shorts; night gowns, negligees, pyjamas, night caps, aprons, scarf, shawls, gaiters, neckties, neckerchiefs, mufflers, swimming wears, swimming suits, swimming trunks, beach clothing, bath sandals, inner soles, garters, braces, belts and stocking suspenders.

The Respondent-Applicant's trademark application indicates goods that are similar to those covered by the Opposer's trademark registration. "Towels" under Class 24, and "T-shirt, jogging pants, shirts, blouse, swim suits, shorts, wristbands, arm bands, head bands" under Class 25, are covered by Trademark Reg. Nos. 056151, 4-1994-092373, and 4-1994-092688. As far as these goods are concerned, the registration of the mark TOBY'S SPORTS ARENA & DEVICE should not be allowed.

The parties' trademarks are depicted below:

Opposer's Mark



Respondent-Applicant's Mark

The Opposer's mark consists of the word "ARENA". On the other hand, the Respondent-Applicant's mark is a composite one consisting of the words "TOBY'S SPORTS" inside a colored oval underneath of which is the word "ARENA".

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set rules can be deduced. Each case is decided on its own merits.⁶ As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,⁷ the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.⁸

The Opposer's mark consists solely of an ordinary word in the English language. "Arena" has been defined as "an enclosed area for the presentation of sports events and spectacles", or "a place or scene where forces contend or events unfold", or "an enclosure or platform, usually surrounded by seats on all

⁶ Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 [1995].

⁷ Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 [1982].

⁸ See Societe Des Produits Nestle, S.A., et al. v. Court of Appeals, et. al., G.R. No. 112012, 04 April 2001.

sides, in which sports events, contests, entertainments, etc., take place".⁹ But if used on goods falling under classes 18, 24 and 25, the word "arena" as a trademark is highly distinctive, classified as an arbitrary mark. Hence, when another party, such as the Respondent-Applicant, appropriates the same word as a trademark or a prominent part thereof for use on goods that are similar or closely related to the Opposer's, the likelihood of confusion or even deception becomes more real than apparent.

It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.¹⁰

Thus, when a consumer encounters pairs of jogging pants or pieces of towels bearing the Respondent-Applicant's mark stacked side-by-side with sport's shorts and bathing suits under the Opposer's mark "ARENA", it is likely for that person to think that there is a connection between the two brands or marks. Instead of "telling" the public that the Respondent-Applicant's goods are of different manufacture or origin from the Opposer's, chances are that the words TOBY'S SPORTS would only make a consumer assume that one party is associated with the another, as in a licensing agreement or similar arrangements. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:¹¹

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

There is the likelihood that information, assessment, perception or impression about the Respondent-Applicant's goods may unfairly be cast upon or attributed to the Opposer and *vice-versa*. It is emphasized that the essence of trademark registration is to give protection to the owner of the trademarks. The function of a trademark is to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a 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 products.¹²

⁹ Source: www.thefreedictionary.com citing The American Heritage® Dictionary of the English Language, Fourth Edition copyright ©2000 by Houghton Mifflin Company, and updated in 2009; and the Collins English Dictionary - Complete and Unabridged © HarperCollins Publishers 1991, 1994, 1998, 2000, 2003.

¹⁰ See *American Wire and Cable Co. v. Director of Patents et al.*, (31 SCRA 544) G.R. No. L-26557, 18 Feb. 1970.

¹¹ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

¹² *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999, citing *Etepha v. Director of Patents*, 16 SCRA 495.

This Bureau finds nonetheless that the opposition against the Respondent-Applicants' trademark application should not be sustained as far as "basketball shootout" and "wall climbing" under class 41 are concerned. The instant opposition is founded on the Opposer's claim of exclusive use of the mark ARENA for goods indicated in its trademark registrations and those that are closely related thereto. "Basketball shootout" and "wall climbing" are not manufactured goods but sporting activities. Corollarily, class 41 refers to services that include venues for entertainment, events and activities. Therefore, as to the nature and purpose, the Respondent-Applicant's services under class 41 are different from the Opposer's goods although the latter may relate to sports.

Moreover, the connotation of the word "arena" with respect "basketball shootout" and "wall climbing" is in essence descriptive. Arena is "an enclosed area for the presentation of sports events and spectacles", or "a place or scene where forces contend or events unfold", or "an enclosure or platform, usually surrounded by seats on all sides, in which sports events, contests, entertainments, etc., take place". To sustain therefore the Opposer's opposition in respect of these services is tantamount to expanding the coverage of said party's trademark registrations to a descriptive term. This would unduly allow the Opposer to do indirectly what it cannot do directly.

But while the word "arena" is descriptive with respect to the Respondent-Applicant's services under class 41, said party should be allowed to register the mark TOBY'S SPORTS ARENA & DEVICE. What the law prohibits is the registration of a mark that consists exclusively of a descriptive word or term. The Respondent-Applicant's mark is not composed solely of the word "arena". The Respondent-Applicant in fact has disclaimed not only the word "sports" but also the word "arena".

WHEREFORE, premises considered the instant opposition to Trademark Application Serial No. 4-2007-013135 is hereby SUSTAINED in so far as goods under classes 24 and 25 are concerned. With respect to services under class 41, the opposition is DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2007-013135 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 25 September 2012.


Atty. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs