



WILSON SPORTING GOOD CO.,
Opposer,

-versus-

RICHARD RYAN LI,
Respondent- Applicant.

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IPC No. 14-2012-00307
Opposition to:
Appln. Serial No. 4-2012-003077
Date filed: 12 March 2012
TM: "WILSON"

NOTICE OF DECISION

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RICHARD RYAN LI
Respondent-Applicant
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777 Ongpin Street
Binondo, Manila

GREETINGS:

Please be informed that Decision No. 2013 - 230 dated November 26, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 26, 2013.

For the Director:

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



WILSON SPORTING GOODS,

Opposer,

-versus-

IPC No. 14-2012-00307

Opposition to Trademark

Application No. 4-2012-003077

Date Filed: 12 March 2012

Trademark: **"WILSON"**

RICHARD RYAN LI,

Respondent-Applicant.

X ----- X

Decision No. 2013- 230

DECISION

Wilson Sporting Goods¹ ("Opposer") filed on 28 August 2012 an opposition to Trademark Application Serial No. 4-2012-003077. The contested application, filed by Richard Ryan Li² (Respondent-Applicant), covers the mark "WILSON" for use on *"shirt, t-shirt, pants, polo, sando, brief, shoes, slippers, socks, sandals, cap, gloves, bathrobes, pajamas, vests, jumpsuits, sweater, cardigan, neckties, suspender, swimwear, sportswear, namely jogging pants, jackets, sweat shirt, walking short, running shorts and suspenders"* under Class 25 of the International Classification of Goods³.

According to Opposer, its company was originally known as Ashland Manufacturing Company when it was created in 1913 in Chicago, USA, as a subsidiary of Swarzchild and Sulzerberger meat packaging concern. The company ventured to sporting goods trade by manufacturing tennis racket strings a means of utilizing animal by-products. It became Wilson Sporting Goods Company in 1914 under the leadership of Thomas E. Wilson in a move calculated to capitalize in the popularity of then US Presedent Thomas Woodrow Wilson. It later expanded operations by adding more products. Opposer recalls that it began advertising its goods in magazines as early as 1917. After the World War II, it claims to have expanded and grown dramatically. It avers to have continuously invested in print advertisements. Its products were then chosen as the official basketball and football in the National Basketball Association and National Football League, respectively.

¹ A corporation formed and existing under the laws of the United States, with business address at 8750 W. Bryn Maw Avenue, Chicago, Illinios 60631, USA.

² A Filipino with address at 17F Mandarin Square #777 Ongpin Street, Binondo, Manila.

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.

Opposer maintains that one of its strategies to increase sales and enhance product image was to pursue endorsement of professional athletes among which are Sam Snead, Walter Payton, Roger Clemens and Michael Jordan. Opposer asserts that in the present, its products are being endorsed by top athletes as well as national, amateur and professional sports organizations. It prides to have made an indelible mark in pop culture as its "WILSON" mark appeared in Hollywood movies such as Castaway and Behind Enemy Lines. Taking advantage of the growing popularity of social media, Opposer also maintains a number company pages, accounts and video channels in Facebook, Twitter and YouTube.

Opposer contends that its products have been sold in the Philippines at least since 1980. Among the entities selling its goods are Associate Trading Corporation, Bonmark Sports Master, GA Yupangco & Co., Asia Sports and Leisure Corp., WS Sports Inc., Toby's Sports & Hobbies, Chris Sports and Plant Sports. As early 25 May 1976, it was granted registration of the mark "WILSON". Later on 01 December 1976, it was again granted registration of "WILSON (Script)" mark. However, these registrations were cancelled on 23 March 2011 allegedly for inadvertent non-submission of the 10th year Declaration of Actual Use (DAU).

Opposer asserts that despite the cancellation of its registrations, it has no intention of abandoning its alleged well-known "WILSON" mark as its various products are continuously sold in the country by WS Sports, Inc. Also, its products are available to online shoppers through Zalora Philippines at <http://www.zalora.com.ph>. In addition, it holds special events such as product demonstrations in sports and country clubs. Opposer claims to be vigilant in enforcing its intellectual property rights in the Philippines as evidenced by an article regarding the seizure of fake Wilson products.

In support of its allegations, the Opposer submitted the following:

1. online document showing Respondent-Applicant's Trademark Application Serial No. 4-2012-003077;
2. reproduction of a print advertisement taken from different magazines;
3. reproduction of article published in October 1987 of "JET" magazine reporting the record-breaking deal with Michael Jordan;
4. printout from Ebay website showing Michael Jordan's official "WILSON" basketballs offered for sale;
5. photographs from various third-party websites showing top tennis professionals endorsing the Opposer's "WILSON" products;
6. screenshots of Opposer's websites showing as basketball, football and golf professionals as endorsers of its products;

7. printout of online seller Amazon showing "Wilson Derrick Rose Wave Composite" basketball;
8. photographs from various third-party websites showing "WILSON" basketball in NCAA games;
9. screenshots of movies "Castaway" and "Behind Enemy Lines";
10. screenshots of Opposer's various pages and channels in social media;
11. notarized Affidavits of Use executed by James M. McElyea, Edward T. Post, and Juha Vaisanen;
12. certified true copies of Certificates of Registration No. 23150 and 24482;
13. screenshot of the WS Sports Inc. company website;
14. screenshots of its "WILSON" products sold in Zalora;
15. news article dated 17 June 2012 entitled "Wilson holds demo day at Greenview";
16. printout of news article entitled "Fake Wilson sports products seized"; and,
17. printouts from intellectual property websites showing its registrations.

On 12 October 2012, a Notice to Answer was served to Respondent-Applicant. However, the latter failed to comply. This prompted the Hearing Officer to issue Order No. 2013-1008 on 19 July 2013 declaring Respondent-Applicant in default and submitting the case for decision.

The ultimate issue to be resolved is whether Respondent-Applicant should be allowed to register the mark "WILSON".

A comparison of the two competing marks below

WILSON

Opposer's mark

WILSON

Respondent-Applicant's mark

will lead to a conclusion that they are identical. Noting the fact that both marks pertain to similar goods, they cannot co-exist. While the Opposer admits that its registrations were cancelled at the time the Respondent-Applicant filed its application, it claims ownership over the mark "WILSON".

A cursory evaluation of the evidence presented, this Bureau finds that in the Philippines, it was issued registration over the trademark as early as early as 25 May 1976. The copies of print advertisements and articles submitted by the Opposer bolsters its claim that it has been using the mark as early as 1917 and therefore, way before Respondent-Applicant applied for registration in 2012. Regardless of the fact that the

registration of the "WILSON" mark was cancelled in the Trademark Registry, this shall not entitle any other entity to register the same for sporting goods as in this case where Opposer has proven that it has continuously been using the same.

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.⁴ The registration system 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 **Shangri-la International Hotel Management, Ltd. vs. Developers Group of Companies**⁵, the Supreme Court held:

"By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark applied for, he has no right to apply the registration off the same."

Corollarily, a registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**⁶, the Supreme Court made the following pronouncement:

"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

⁴ See Section 236 of the IP Code.

⁵ G.R. No. 159938, 31 March 2006.

⁶ G.R. No. 183404, 13 October 2010.

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 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 one who first used it in trade or commerce."

Moreover, Section 165.2 of IP Code states that:

"165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful."(Emphasis supplied.)

Therefore, since "WILSON" is not only used by the Opposer as a trademark but more importantly as a tradename, registration is not a prerequisite for its protection under the law. Regardless of its earlier filing date, the law prohibits the use of Respondent-Applicant of "WILSON" whether as a mark or a tradename or collective mark. This is further explained by the Supreme Court, in the case of **Coffee Partners, Inc. vs. San Francisco Coffee and Roastery, Inc.**⁷, as follows:

"In Philips Export B.V. v. Court of Appeals, this Court held that a corporation has an exclusive right to the use of its name. The right proceeds from the theory that it is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same name, or the same name with a slight variation in such a way as to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name."

⁷ G.R. No. 169504, 03 March 2010.

Finally, it is emphasized that 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.⁸

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application No. 4-2012-003077 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 26 November 2013.



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

⁸ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.