



OFFICE OF THE DIRECTOR GENERAL

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

-versus-

BREEDER'S CUP LIMITED,
Opposer-Appellee.

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Appeal No. 14-2013-0007

IPC No. 14-2009-00187

Opposition to:

Application No. 4-2008-010968

Date Filed: 10 September 2008

Trademark: MARHO BREEDERS CUP

DECISION

METROPOLITAN ASSOCIATION OF RACE HORSE OWNERS, INC., (“Appellant”) appeals the decision¹ of the Director of Bureau of Legal Affairs (“Director”) sustaining the opposition to the registration of the mark “MARHO BREEDERS’ CUP”.

On 10 September 2008, the Appellant filed Trademark Application No. 4-2008-010968 for MARHO BREEDERS’ CUP.² The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 27 March 2009. On 29 July 2009, BREEDERS’ CUP LIMITED (“Appellee”) filed a “VERIFIED OPPOSITION” alleging that it will be damaged by the registration of MARHO BREEDERS’ CUP.

¹ Decision No. 2013-19 dated 30 January 2013.

² MARHO BREEDERS’ CUP is to be used on the following goods and services:

Class 9 - 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

Class 14 - trophies

Class 16 - 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

Class 18 - umbrellas

Class 21 - mugs, food baskets, beverage glasses, statues (crystal, earthenware, glass, terra cotta, porcelain), figurines

Class 25 - t-shirts, caps/hats, trousers, jackets, parkas/ windbreakers, sweaters, visors, golf hats, beach hats

Class 36 - organization, fund-raising for, and staging of the annual marho breeders’ cup racing festival

Class 41 - 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 breeders’ cup event and races, and other marho activities, and activities of its individual members related to horses

The Appellee claimed that the approval of MARHO BREEDERS' CUP is contrary to the provisions of the Intellectual Property Code of the Philippines ("IP Code"). The Appellee maintained that it owns approximately 100 trademark registrations in 33 countries and its registrations are in multiple classes including entertainment services, namely, horse racing, apparel, toys, and games, and that almost all these registrations contain the internationally known and famous trademark "BREEDERS' CUP". The Appellee averred that MARHO BREEDERS' CUP is confusingly similar to BREEDERS' CUP. According to the Appellee, BREEDERS' CUP is known and very popular in the Philippines and the Appellant's MARHO BREEDERS' CUP is intended to capitalize on the popularity and goodwill of its mark, and will confuse, deceive and/or mislead the public into believing that the Appellant's race events, goods, and merchandise are the same as or connected with the events sponsored or goods manufactured or sold by the Appellee.

The Appellant filed a "VERIFIED ANSWER" dated 02 December 2009 alleging its history and the MARHO BREEDERS' CUP program. The Appellant maintained that its mark is not confusingly similar with the Appellee's mark. According to the Appellant, the word "MARHO" is the dominant feature of its mark while the dominant feature in the Appellee's mark is the drawing of the head of a race-looking horse. The Appellant argued that even if "BREEDERS'S CUP" is the dominant feature in the Appellee's mark, the Appellee cannot claim exclusivity over it for being generic or descriptive of the goods and services pertaining to horse racing. The Appellant asserted that BREEDERS' CUP is not well-known and that if BREEDERS' CUP is not generic, it has the trademark rights over it being the first to use and to file for the registration in the Philippines. The Appellant claimed that it need not ride on the popularity of the Appellee and the trademark registrations of the Appellee outside the Philippines carries little weight.

After the appropriate proceedings, the Director held that BREEDERS' CUP is a well-known mark that is owned by the Appellee. According to the Director, the presence of the words "BREEDERS' CUP" which stand out in the Appellant's and Appellee's marks creates confusion. The Director ruled that 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 Appellee.

The Appellant filed on 13 March 2013 an "APPEAL MEMORANDUM" contending that it is error to rule that the Appellee has acquired exclusive rights and ownership of the mark BREEDERS' CUP when the IP Code has provided that the rights in a mark shall be acquired through registration. The Appellant maintains that BREEDERS' Cup is not registered in the Philippines and that it has filed an application to register MARHO BREEDERS' CUP which entitles it to trademark rights over BREEDERS' CUP. The Appellant asserts that BREEDERS' CUP is not a well-known mark because the Appellee has never used or promoted this mark in the Philippines. The Appellant claims that BREEDERS' and CUP are descriptive words that can be used and registered by different parties in the trademark registry which makes them weak marks and reduces any likelihood of confusion between BREEDERS' CUP and MARHO BREEDERS'S CUP. The Appellant posits that it is

willing to disclaim the descriptive words BREEDERS' and CUP which would render MARHO as the only dominant feature of its mark. According to the Appellant, because BREEDER'S CUP are descriptive in nature, then only the figure of a horse will be the dominant feature of the Appellees' mark and, thus, there is no confusing similarity between MARHO and this figure. Moreover, the Appellant argues that the Appellee's failure to use BREEDERS' CUP in the Philippines eliminates the likelihood of confusion.

The Appellee filed a "COMMENT" dated 03 June 2013 claiming that BREEDERS' CUP is a well-known mark that is entitled to protection in the Philippines. According to the Appellee, the pieces of evidence in this case show that its mark is well-known internationally and in the Philippines. The Appellee argues that MARHO BREEDERS' CUP is confusingly similar to BREEDERS' CUP and therefore, the Bureau of Legal Affairs was correct in sustaining the opposition to the registration of the Appellant's mark. The Appellee maintains that BREEDERS' CUP has acquired a registrable meaning and that it is entitled to the exclusive appropriation of this mark.

The main issue in this case is whether the Director was correct in sustaining the opposition to the registration of MARHO BREEDERS' CUP in favor of the Appellant.

The appeal is not meritorious.

Sec. 123.1 (e) of the IP Code provides that a mark cannot be registered if it:

(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;

Accordingly, 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. In this regard, the pieces of evidence adduced in this case show that the Appellee has proven that BREEDER'S CUP is a well-known mark and that the Appellant itself has acknowledged BREEDERS' CUP popularity in the country's racing industry. As correctly discussed by the Director:

The Opposer [Appellee] 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. 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.ph and Respondent-Applicant's own website www.marho.org which shows that the Opposer's sponsored Breeders Cup races are well-known in the Philippines racing industry and that Respondent-Applicant's itself acknowledges the popularity of Opposer's Breeders' Cup World Championship.³

Significantly, the relevant question is whether MARHO BREEDERS' CUP is confusingly similar to the well-known mark BREEDERS' CUP. Below are the illustrations of the Appellant's and Appellee's mark.

MARHO BREEDERS' CUP



Appellant's mark

Appellee's mark

At a glance, one can see the similarity of these marks where the terms "BREEDERS'" and "CUP" are easily recognized. The Appellant's use of the term "MARHO" is not sufficient to distinguish its mark from that of the Appellee's but only add to the impression that MARHO BREEDERS' CUP is just a variation of the Appellee's mark. As these marks are to be used on similar activities and events related to horse racing, there is a likelihood of confusion as to the true owners of these marks.

The determinative factor in ascertaining whether or not marks are confusingly similar to each other is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. 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 new brand for it.⁴ In this instance, it is very likely that the relevant public would associate the Appellant's MARHO BREEDERS' CUP with the Appellee's BREEDERS CUP because of their similarity and use in similar activities and events.

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

³ Decision No. 2013-19 dated 30 January 2013.

⁴ Converse Rubber Corporation v. Universal Rubber Products, Inc., G. R. No. L-27906, 08 January 1987.

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.⁵

The Appellee has proven its prior use of BREEDER'S CUP long before the Appellant's filing of the trademark application for MARHO BREEDERS' CUP. The statement by the Supreme Court in one case is instructive.

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.⁶

The Appellant has in his disposal "millions of terms and combinations of letters and designs" to come up with a mark to distinguish its goods or services. Thus, the Appellant's good faith in using MARHO BREEDERS' CUP in its business is put into question by the Appellant's evidence of prior use, adoption, promotion and registration of BREEDERS' CUP.

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. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

Moreover, the Appellant's contention that the Appellee's mark is composed of generic terms and, therefore, the Appellee cannot have an exclusive right over this mark is not tenable. The Appellee's mark is not a generic mark but is a composite mark composed of the words "BREEDERS'" and "CUP" and a figure of a head of a horse. In another case, the Supreme Court held that:

A trademark device is susceptible to registration if it is crafted fancifully or arbitrarily and is capable of identifying and distinguishing the goods of one manufacturer or seller from those of another. Apart from its commercial utility, the benchmark of trademark registrability is distinctiveness. Thus, a generic figure, as that of a shark in this case, if employed and designed in a distinctive manner, can be a registrable trademark device, subject to the provisions of the IP Code.⁷

In addition, the Appellee correctly pointed out that:

72. On the contrary, the Supreme Court has confirmed that the **combination** of generic terms can be the proper subject of trademark law.

x x x

⁵ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

⁶ American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.

⁷ Great White Shark Enterprises, Inc. v. Danilo M. Caralde, Jr., G. R. No. 192294, 21 November 2012.

77. Curiously, none of the sample registered marks submitted by the Appellant to support its claim that the Appellee's mark is weak contain the words "Breeders" and "Cup" together.

78. The fact that none of the registered marks submitted by the Appellant contains both the words "Breeders" and "Cup" together in one mark reinforces the BLA's ruling that the mark of the Appellee (BREEDERS'S CUP) already acquired a registrable meaning. Consequently, none of the present registered marks, either in the Philippines or in the United States of America as submitted by the Appellant, contain the words "Breeders" and "Cup" together.

Wherefore, premises considered, the appeal is hereby dismissed. Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

SO ORDERED.

NOV 21 2014 , Taguig City.


RICARDO R. BLANCAFLOR
Director General