



OFFICE OF THE DIRECTOR GENERAL

EUREKA SCHOLASTIC PUBLISHING INC.,
Respondent-Appellant,

APPEAL NO. 14-2012-0054
IPC No. 14-2011-00233
Opposition to:

-versus-

SCHOLASTIC, INC.,
Opposser-Appellee.

Application No. 4-2009-013109
Date Filed: 21 December 2009
Trademark: EUREKA
SCHOLASTIC PUBLISHING,
INC.

x-----x

NOTICE



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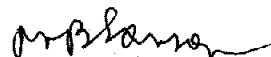
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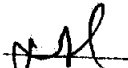
GREETINGS:

Please be informed that on 15 December 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 15 December 2014.

Very truly yours,


ROBERT NEREO B. SAMSON
Attorney V


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OFFICE OF THE DIRECTOR GENERAL

EUREKA SCHOLASTIC PUBLISHING, INC.,
Respondent-Appellant,

-versus-

SCHOLASTIC, INC.,
Opposer-Appellee.

x-----x

Appeal No. 14-2012-0054

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Opposition to:

Application No. 4-2009-013109

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
DECISION

On 13 September 2012, EUREKA SCHOLASTIC PUBLISHING, INC. ("Appellant") filed an "APPEAL MEMORANDUM" seeking the reversal and setting aside of the decision and resolution of the Director of Bureau of Legal Affairs ("Director") sustaining the opposition filed by SCHOLASTIC, INC. ("Appellee") to the registration of the Appellant's mark "EUREKA SCHOLASTIC PUBLISHING, INC."¹

The Appellant argues that the attention of a person looking at its mark will easily be captured by the word "EUREKA" as well as the figures of the torch and the back to back "Σ" symbol. According to the Appellant, the Director was not correct in stating that the words "SCHOLASTIC PUBLISHING, INC." are predominantly displayed that they draw the eyes of an on-looker. The Appellant maintains that an ordinary person can easily tell that the Appellant's and Appellee's marks are different, unique, distinct, and dissimilar and that the consumers will never be likely to be confused that there is a connection or association between the parties and their respective business. The Appellant claims that its use of the word "SCHOLASTIC" is done in good faith and only for the purpose of describing the kinds of goods it publishes, that is, scholastic materials, and not to mislead the public as to the source of the goods or services. The Appellant avers that the word "SCHOLASTIC" is a generic term found in every dictionary and which forms part of public domain and, thus, beyond the commerce or personal and exclusive appropriation of men.

On 27 September 2012, the Appellee filed its "COMMENTS" contending that the appeal is replete of allegations and/or assumptions that were never established and which were not considered at all in the evaluation by the Bureau of Legal Affairs because the Appellant was declared in default. The Appellee argues that the Appellant's assumptions cannot be included for consideration in the appeal. The Appellee maintains that the Appellant's trademark application was in direct violation

¹ Trademark Application No. 4-2009-013109 for books, textbooks, workbooks, worktext, magazines.


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of its registered marks, trade name, and corporate name "SCHOLASTIC INC.". The Appellee asserts that it and the Appellant are in direct competition in the market place and using the same mark or trade name gives rise in the likelihood of confusion as to their relationship. According to the Appellee, there is the possibility that it will be presumed to be the source of the products/trade or service that the Appellant represents and that the Appellant might be associated with and/or be identified as the local authorized distributor or publisher of the Appellee.

On 05 November 2012, this case was referred to the IPOPHL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 11 December 2013, this Office received a copy of the "MEDIATOR'S REPORT" stating the termination of the mediation proceedings.

While the Office is drafting the decision in this appeal, it received a communication from the Bureau of Legal Affairs about the submission² by the President of the Appellant withdrawing the trademark application for EUREKA SCHOLASTIC PUBLISHING, INC. in view of the shortening of the Appellant's term of existence until 03 March 2014. The Appellee, on the other hand, filed a reply to the Appellant's submission³ requesting copies of the Appellant's Corporate Secretary's Certification as to the resolution shortening the term of existence of the Appellant and the official withdrawal of the Appellant's trademark application filed with the Bureau of Trademarks. The Appellee maintains that unless copies of these documents were submitted, the appeal must be considered as active for resolution.

In this regard, the submission by the Appellant's President of the withdrawal of the trademark application for EUREKA SCHOLASTIC PUBLISHING, INC. renders the Appellee's opposition to the registration of this mark moot and academic.

Be that as it may and in the absence of the formal submission by the Appellant of the withdrawal of the trademark application for EUREKA SCHOLASTIC PUBLISHING, INC., this Office will resolve the main issue in this appeal of whether the Director was correct in sustaining the Appellee's opposition to the registration of EUREKA SCHOLASTIC PUBLISHING, INC..

Sec. 123.1(d) of the Intellectual Property Code of the Philippines ("IP Code"), states 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;

² MANIFESTATION dated 04 March 2014.

³ REPLY TO MANIFESTATION dated 18 March 2014.



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Office of the Director General

In this instance, the Appellee owns certificates of registration for the mark "SCHOLASTIC" and "SCHOLASTIC & Design"⁴ covering the same class of goods as those of the Appellant's mark. The relevant question, therefore, is whether the Appellant's mark nearly resembles the Appellee's marks as to be likely to deceive or cause confusion.

Below are the illustrations of these marks:



Appellant's mark

SCHOLASTIC



Appellee's marks

A scrutiny of these marks shows that they all have the word "SCHOLASTIC". In addition, the design in the Appellant's mark shows similarity to the Appellee's SCHOLASTIC & Design mark that illustrates an "open white book". While the "open white book" was disclaimed by the Appellee, its combination with the word SCHOLASTIC makes it a distinctive mark entitling the Appellee to exclude other persons without its consent from adopting a confusingly similar mark.


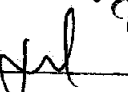
It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the

⁴ Certificate of Registration Nos. 4-2002-006802 and 4-2002-006803 covering the following class of goods:

9 pre-recorded audio cassettes, video cassettes and cd-roms.

16 printed matter, namely books, fiction books, non-fiction books, reference books, teacher resource books, workbooks, activity books, bookmarks, newspapers and catalogues.

35 mail-order catalogue services featuring general merchandise for children, namely books, posters, multimedia products, toys and games, software and cd-roms.


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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.⁵

The Appellee as the registered owner of the mark SCHOLASTIC is entitled to the exclusive right to prevent other persons from using a trademark that resembles its mark as to be likely to deceive or cause confusion. The Appellant has "millions of terms and combinations of letters and designs available" for its use on its products. Why it insists on using "SCHOLASTIC" betrays its intention to take advantage of the goodwill generated by the Appellee's marks. The statement below by the Supreme Court 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

Moreover, the Appellant and the Appellee are both members in the book industry. Thus, the way their marks are presented and used in books and educational materials like workbooks gives the impression that they are owned by the same person. Accordingly, the Appellant's adoption and use of "SCHOLASTIC" may lead to a mistake or confusion that the Appellant's products are those of the Appellee or vice versa. The public may be misled that the Appellant's mark being used on similar products is just a variation of the Appellee's existing mark. As correctly pointed out by the Director:

The presence, however, of the words "SCHOLASTIC PUBLISHING, INC." rendered the Respondent-Applicant's mark confusingly similar to the Opposer's. To the eyes of a consumer, there is practically no distinction between "SCHOLASTIC PUBLISHING, INC." on one hand, and the Opposer's mark "SCHOLASTIC" and corporate name "SCHOLASTIC INC." because the marks and names cover the same and/or closely related goods. The consumers are likely to confuse the Respondent-Applicant's with the other party and vice-versa, and/or to assume that there is a connection or association between the parties and their respective businesses, when in fact there is none.

The Appellee is, therefore, entitled to the protection of its registered SCHOLASTIC marks. The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same --- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon

⁵ Pribhdas J. Mirpuri vs. 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.



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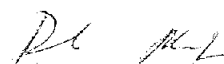
which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.⁷

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.

DEC 15 2014

, Taguig City.


RICARDO R. BLANCAFLOR
Director General

⁷ Societe Des Produits Nestle, S. A. v. Court of Appeals, G. R. No. 112012. 04 April 2001.


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