

MAJOR LEAGUE BASEBALL
PROPERTIES, INC.,
Opposer,

-versus-

SATURDAY DRESS GLOBAL, INC.,
Respondent-Applicant.

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}

IPC No. 14-2015-00419

Opposition to:
Appln. Ser. No. 4-2014-503337
Date Filed: 30 July 2014

Trademark: SD LOGO

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NOTICE OF DECISION

CARAG JAMORA SOMERA & VILLAREAL

Law Offices

Counsel for Opposer
2/F, The Plaza Royale
120 L.P. Leviste Street, Salcedo Village
Makati City, Metro Manila

SATURDAY DRESS GLOBAL, INC.

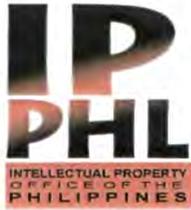
Respondent- Applicant
Unit 8, SSY Business Center
Salinas Drive, Lahug, Cebu City

GREETINGS:

Please be informed that Decision No. 2016 - 288 dated 19 August 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 19 August 2016.


Atty. **MARLITA V. DAGOSA**
Adjudication Officer
Bureau of Legal Affairs



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SATURDAY DRESS GLOBAL, INC.,	}	Trademark: SD LOGO
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x-----x	x	Decision No. 2016 - <u>288</u>

DECISION

MAJOR LEAGUE BASEBALL PROPERTIES, INC., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2014-503337. The application filed by SATURDAY DRESS GLOBAL, INC. (Respondent-Applicant)² covers the mark “SD” for use on *clothing, footwear and headgear* under Class 25 of the International Classification of Goods³.

The Opposer alleges the following grounds for opposition:

“18. Opposer is the owner and registrant on the IPOPHL’s Trademarks Register of the mark SD with a registration date of January 8, 2007 and which remains valid and subsisting to date.

“19. The Respondent-Applicant’s application for registration of its SD mark chiefly contravenes Section 123.1 sub-paragraph (d) of Republic Act No. 8293 (“RA No. 8293” or the “IP Code”) xxx.

“20. Respondent-applicant’s Device Mark so resembles Opposer’s Interlocking SD Device Mark, as to be likely when applied to or used in connection with the Respondent-Applicant’s goods, to deceive or cause confusion with those of Opposer’s goods/lines of business bearing Opposer’s Interlocking SD Device Mark.

“21. The use by Respondent-Applicant of its Interlocking SD Device Mark on goods that are similar, identical, or closely related to Opposer’s goods/services that are

¹ A company organized by virtue and of existing under the laws of the State of New York, USA, with business address at 245 Park Avenue, New York 10167, USA

² A Philippine corporation with a given address at Unit 8, SSS Business Center, Salinas Drive, Lahug, Cebu City, Province of Cebu, Philippines

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957

produced by, originated from, offered by, or are under the sponsorship of herein Opposer bearing Opposer's Interlocking SD Device Mark, will greatly mislead the purchasing/consumer public into believing that Respondent-Applicant's goods are produced/rendered by, originate from, or are under the sponsorship of Opposer. This danger of public confusion is enhanced by the fact that consumers have come to associate Opposer's Interlocking SD Device Mark with a wide range of products and services.

"22. Opposer continues to use and has not abandoned the use in various countries around the world, including here in the Philippines, of Opposer's Interlocking SD Device Mark.

xxx

"24. In view of the foregoing, the Respondent-Applicant's Interlocking SD Device Mark may also be considered in contravention of Section 123.1 (e) of our IP Code, which states, to wit:

xxx

"25. Further, the registration of Respondent-Applicant's Interlocking SD Device Mark is in contravention of the zone of business expansion doctrine."

The Opposer's evidence consists of the following:

1. Authenticated Affidavit of Mr. Ethan Orlinsky;
2. Certified copy of Trademark Registration No. 4-2000-008568 for the mark Padres Cap Designation;
3. Documents on Opposer's licensed goods bearing the Opposer's Interlocking SD Device Marks;
4. Documents pertaining to New Era Cap Company, Inc's flagship store in Manila featuring caps of all of the Opposer's professional baseball clubs;
5. Screenshots of the official website of the Opposer, <http://www.mlb.com> and of the official website of San Diego Padres club, [www.http://sandiego.padres.mlb.com](http://sandiego.padres.mlb.com);
6. Documents featuring statistics on Internet users in the Philippines;
7. Copies of articles on appearance of the San Diego Padres team in the World Series games and the National League games;
8. Screenshots of news articles online featuring the San Diego Padres team;
9. Copies of feature articles in the Philippine publications of several news companies in the Philippines;
10. Copies of worldwide trademark registrations of Opposer's Interlocking SD Device Mark in several countries such as US, Japan, Hong Kong, Australia, Korea, Malaysia and China;
11. Copies of articles about Filipinos and Filipino-Americans having played for Major League Baseball clubs; and
12. Representations of Opposer's Interlocking SD Device Mark.



This Bureau issued a Notice to Answer on 12 November 2015 and served to the Respondent-Applicant on 02 December 2015. Despite the receipt of Notice, Respondent-Applicant did not file the answer. On 17 May 2016, this Bureau declared Respondent-Applicant in default. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the trademark **SD Logo**?

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.⁴

Opposer anchors its opposition in Section 123.1 subparagraph (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, as amended, to wit:

Sec. 123. Registrability. - 123.1 A mark cannot be registered if it:

xxx

(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**;

Pursuant to the above provision, a mark which resembles or is confusingly similar to a registered mark or a mark with an earlier filing or priority date cannot be allowed registration.

The records will show that at the time Respondent-Applicant filed its application for the mark **SD LOGO** on 06 November 2014, the Opposer already has an

⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.



existing registration for the mark **Padres Cap Designation** which was issued on 08 January 2007 bearing Registration No. 4-2000-008568.

But are the marks of Opposer and Respondent-Applicant confusingly similar as to likely cause confusion, mistake or deception on the part of the public?

The parties' marks are reproduced below:



Opposer's Mark



Respondent-Applicant's Mark

A scrutiny of both marks would readily show that both marks contain the letters "S" and "D". Opposer's mark consists of a stylized presentation of the interlocking letters "S" and "D" while Respondent-Applicant's consists of the letters "S" and "D" wherein the letter "S" is positioned on the top left portion of the letter "D", both letters overlapping a bit. Opposer's SD mark is written in black color while that of Respondent-Applicant's is written in white color with a rectangular shape in color as background. While differences can be observed between the two marks, such differences become insignificant because of the presence of the overlapping or interlocking letters "S" and "D" which would likely cause confusion, mistake or deception on the part of the public into believing that Opposer's and Respondent-Applicant's marks are one and the same or that one is just a variation of the other. The fact that SD means San Diego Padres for Opposer's and Saturday Dress for Respondent-Applicant is of no moment because visually, the marks are confusingly similar.

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.⁵

⁵ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

As to the nature of the goods/services of the parties, Opposer's mark is used on "entertainment, education and information services, namely, baseball games, competitions and exhibitions rendered live, through broadcast media including television and radio and via a global computer network or a commercial on-line service; providing information in the field of sports, entertainment and related topics, providing multi-user interactive computer games, and providing for interactive exchange of messages and information, all via a global computer network or commercial on-line service" under Class 41 while Respondent-Applicant's mark is used on "clothing, footwear and headgear" under Class 25. It appears that the goods/services of the parties are different or non-competing as they belong to different classes.

Albeit the non-relatedness of the goods/services of the parties, this Bureau cannot still rule out the possibility or the likelihood of confusion that may arise. Time and again, the Supreme Court held that in spite of the dissimilarity of the products of the parties, the trademark owner is entitled to protection when the use of a same mark would forestall the normal expansion of the business.

In *Mcdonald's Corporation, Et. Al. v. L.C. Big Mak Burger, Inc., Et. Al.*⁶, it was held:

The registered trademark owner may use his mark on the same or similar products, in different segments of the market, and at different price levels depending on variations of the products for specific segments of the market. The Court has recognized that the *registered trademark owner enjoys protection in product and market areas that are the normal potential expansion of his business*. Thus, the Court has declared:

"Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trade-mark or trade-name is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field (see 148 ALR 56 et seq; 53 Am Jur. 576) or is in any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business (v. 148 ALR, 77, 84; 52 Am. Jur. 576, 577)."

⁶ G.R. No. 143993, promulgated on August 18, 2004. Cited also in the earlier case of *Sta. Ana vs. Maliwat*, G.R. No. L-23023, August 31, 1968.

In the earlier case of *Sterling Products International Incorporated v. Farbenfabriken Bayer Aktiengesellschaft*⁷, the High Court had already recognized such rationale, thus:

"The courts have come to realize that *there can be unfair competition or unfair trading even if the goods are non competing, and that such unfair trading can cause injury or damage to the first user of a given trade-mark, first, by prevention of the natural expansion of his business and second, by having his business reputation confused with and put at the mercy of the second user.* When noncompetitive products are sold under the same mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user, inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. The owner of a trademark or trade name has a property rights in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud." [Emphasis supplied]

Applying the afore-quoted jurisprudence, there is therefore a need to look into other attendant circumstances in order to determine whether the goods falling under Respondent's application is within the zone of potential, natural and logical expansion of the business of Opposer.

A further scrutiny of the records of this case would show that aside from the goods/services under Class 41, Opposer also use its mark PADRES CAP DESIGNATION or the Interlocking SD Device mark in goods such as *shirts, sports apparel and caps* which is similar or related to the goods upon which Respondent-Applicant's mark is being applied for registration. This only shows that Opposer not only intends to expand his business to covers the goods as that of Respondent-Applicant but has already used its marks for goods under Class 25. Considering that

⁷ G.R. No. L-19906, April 30, 1969.

Respondent-Applicant's mark will be used on goods within the zone of natural and logical expansion of Opposer's business, its registration should not be allowed.

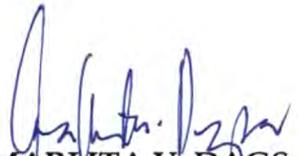
It has been held time and again that in cases of grave doubt between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁸

On Opposer's claim that its mark is well-known, this Bureau finds that Opposer was not able to prove that its mark is well-known in the Philippines and internationally.

WHEREFORE, premises considered, the instant Opposition to Trademark Application Serial No. 4-2014-503337 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 19 AUG 2016


MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

⁸ See *Del Monte Corporation et. al. v. Court of Appeals*, GR No. 78325, 25 Jan. 1990.