



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

SHERATON INTERNATIONAL INC.,
Opposer,

-versus-

SUPERMAN SHIRT CORPORATION,
Respondent-Applicant.

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IPC No. 14-2005-00024
Opposition to:
Appln. Ser. No. 4-2001-000684
Date Filed: 31 January 2001

TM: SHERATON

NOTICE OF DECISION

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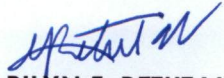
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Malate, Manila

GREETINGS:

Please be informed that Decision No. 2017 - 395 dated 29 November 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPPL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 11 December 2017.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



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**SHERATON INTERNATIONAL
INC.,**

Opposer,

- versus -

**SUPERMAN SHIRT
CORPORATION,**

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IPC NO. 14 – 2005 - 00024

Opposition to:
Appln Serial No. 42001000684

TM: “SHERATON”

DECISION NO. 2017 - 395

X-----X

DECISION

SHERATON INTERNATIONAL INC., (Opposer)¹, filed an Opposition to Trademark Registration No. 4-2001-000684 on 1 March 2005. The application filed by SUPERMAN SHIRT CORPORATION (Respondent-Applicant)², covers the mark “SHERATON” for “shirts and polo shirts” under Class 25 of the International Classification of Goods.³

The Opposer based its Opposition on the following grounds:

1. The Respondent-Applicant’s trademark SHERATON is identical to the Opposer’s well-known mark SHERATON, as to be likely cause deception, confusion and mistake on the part of the purchasing public, when applied to or used in connection with the goods of the Respondent-Applicant.
2. Respondent-Applicant intentionally and fraudulently applied for registration of the mark SHERATON to take advantage of the popularity and goodwill generated and connected with the world famous SHERATON mark.
3. The use and adoption by Respondent-Applicant of the mark SHERATON would falsely tend to suggest a connection with the Opposer.

¹ A corporation organized under the laws of British Virgin Islands with business address 2207 China Insurance Group Bldg., 73 Connaught Road Central, Hong Kong.

² A corporation organized and existing under the laws of the Bermuda with address at Clarendon House No. 2, Church Street, Hamilton, Bermuda, HMCX.

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

4. The trademark SHERATON forms a dominant part of its corporate name, used by it since its corporate inception up to the present and is entitled to protection under the provision of Article 8 of the Convention of Paris for the Protection of Industrial Property without any obligation on the part of the Opposer to file or register the tradename, whether or not it forms part of the trademark.
5. Respondent-Applicant has no bonafide use in the Philippine commerce of the mark SHERATON prior to the filing of the application.
6. The trademark SHERATON is, and even since its adoption has been continuously applied to services and products of Opposer.
7. The registration of the trademark SHERATON in the name of the Respondent-Applicant will violate Section 123, 147 and 165 of Republic Act 8293, Section 6bis and other provisions of the Paris Convention for Protection of Industrial Property.
8. The registration by the Respondent-Applicant of the trademark SHERATON will diminish the distinctiveness and goodwill of the Opposer's trademark SHERATON which was first registered on 24 October 1983 with then Philippine Patent Office, under Registration No. 32793.
9. The registration of the trademark SHERATON in the name of the Respondent-Applicant is contrary to other provisions of Republic Act No. 8293.

This Bureau issued a Notice to Answer on 15 March 2005 and served to Respondent-Applicant. On 9 May 2005, Respondent-Applicant filed its Answer to the Opposition. The pertinent portions in the Respondent-Applicant's Answer are as follows:

1. That the respondent applicant admits the first part of the first paragraph but is without knowledge or information to form a belief as to the truth of the averment on the second part of the first paragraph that the issuance of registration of the respondent applicant will likely caused deception, confusion and mistakes on the part of the purchasing public, when applied to or used in connection with the goods of herein respondent applicant which are for shorts and polo shirts while for the opposer's goods are for hotel, motel and restaurant services; Both marks do not belong to the same class of goods;
2. That the respondent applicant denies each and every material allegations made in paragraph II and III thereof;
3. That the respondent applicant admits to the averments made to paragraph IV and VI except for the word "products." The trademark SHERATON which forms a dominant part of the corporate name of the opposer was only known to its various hotel, motel and restaurant services as shown to their cancelled principal registration no.32793 and application no. 4-1999-007426;

4. That the respondent applicant DENIES specifically each and every material allegation made in paragraph V thereof. Prior to the filing of the application of herein respondent applicant, the trademark SHERATON was already assigned by LI CHIAN, registrant of the trademark SHERATON and was also one of the owner of the said respondent applicant and said mark has been used since March 2, 1962.
5. That the respondent applicant is without knowledge or information to form a belief as to the truth of the averment made in PARAGRAPHS VII, VIII and IX thereof. The registration of the trademark SHERATON by herein respondent applicant will not run counter with the opposer because they do not belong to the same class of goods.

On 16 May 2005, a notice for pre-trial conference was issued. The pre-trial conference was held and subsequently terminated. During the pendency of the presentation of Opposer's evidence, the parties agreed to be governed by the summary rules of Inter Partes Cases or Office Order No. 99 series of 2011. Thus in the Order No. 2015-1791, the parties were directed to submit their respective Position Paper and the case was submitted for decision.

On its Position Paper⁴, the Opposer alleged: that the Opposer is a leading global corporation rendering services relating to the operation of hotels and resorts and related goods and services in more than 400 hotels and resorts in over 67 countries; that the Opposer is a subsidiary of Starwood Hotels & Resorts Worldwide, Inc., one of the world's largest operators of hotels and leisure business; that with more than four hundred (400) hotels and resorts in more than seventy (70) countries, with properties from Argentina to Zimbabwe, the Sheraton brand is the largest of Starwood's brand; that the origins of the Sheraton brand began in 1937 when its founders, Ernest Henderson and Robert Moore acquired their first hotel in Springfield Massachusetts; that at the end of the first decade, Sheraton had proven so popular and had become such a relied-upon brand that it was first hotel chain to be listed on the New York Stock Exchange; that Sheraton expanded internationally and the mark Sheraton was first used in the Philippines on 31 December 1976; that a significant amount of funds are spent in advertising the Sheraton brand globally; that the Sheraton brand is advertised on television, in major newspaper publications, major magazines publications, and over the internet; that Sheraton brand has received several prestigious awards in the travel industry, including for its hotels in Asia Pacific Region; in 2006, Sheraton brand hotels were listed as sixth (6th) out of ninety-five (95) major hotel brands in the list of Top Hotel Brands by Hotel Business, a hospitality industry magazine; Opposer has used and continues to use the Sheraton mark on a wide range of products, including those belonging under NICE

⁴ Dated 25 January 2016

Class 25 products; Clothing items sold at Sheraton branded property gift shop include but are not limited to baseball hats, shirts, golf shirts, t-shirts and robes; the Sheraton brand also sells many items over the Internet; Sheraton mark has achieved great success and fame in the Philippines; since 2002, more than nine million U.S. dollars in revenue has been generated from reservations originating from the Philippines; and Sheraton mark is registered worldwide, including in the Philippines.


Respondent-Applicant, on the other hand alleged: that Sheraton had been first petitioned to be registered in Patent Office on Principal Register in accordance with the Republic Act No. 166, as amended by Li Chian a citizen of the Philippines who had been doing business under the name Superman Shirt Factory at Nos. 575-77 Nueva Street Binondo, Manila; that the Sheraton was first commercially used by him on March 2, 1962 in the Philippines continually up to the date of his application for registration of trademark on 18th day of June 1964 for goods classified as Class 40 for polo shirts and fused collar shirts; that as early as 6 July 1964, Li Chian had issued an official declaration that he was the lawful owner of the trademark he sought to be registered and that he had been in commercial use of the said trademark before the application for registration of trademark on 6 July 1964; that the Certification of Registration of the Trademark / Trade Name 'Sheraton' was first issued in the Philippines to Li Chian on July 29, 1965; that there was even a Notice of Acceptance of Affidavit of Use as early as 1965 declaring that the said trademark has been use in the Philippines by the said registrant Li Chian; that on 14 December 1976 at Manila Philippines, a document entitled "Assignment of Mark" has been issued by the Philippine Patents Office where it certified that Li Chian, as the Assignor, has adopted, used and is using the Trademark "SHERATON" which was registered in the Philippines under Serial Registration No. SR-686 filed and issued on July 29, 1965 and has assigned unto the said Assignee all rights, title and interest in and to the mark together with the goodwill of the business symbolized by the said mark; Since the trademark Sheraton was first registered in the Philippines in 1965 under Superman Shirt Corporation by Li Chian the clothing products which bore the said trademark had been loyally patronized by Filipino consumers for many decades since it was registered and had been lawfully and commercially sold and transacted in small and large department stores such as Good Earth, Fair Mart, Isetan and Shoemart, among others, all over the Philippines, as evidenced by the Affidavit of Use by Superman Shirt of the said trademark Sheraton as later as 1989; There was a cancellation of the trademark registration when the respondent-applicant Superman Shirt Corporation failed to renew their registration to the trademark "SHERATON," hence on 31 January 2001, Respondent-Applicant Susan B. Lee, as representative of Superman Shirt Corporation filed an application for Trademark, with no.4-2001-000684 covering class 25 goods (shirts and polos).

The Opposer submitted the following supporting evidence:

- Exhibit "A" – Authenticated Special Power of Attorney;
- Exhibit "B" – Authenticated Affidavit of Mr. Jared T. Finkelstein dated 27 April 2006;
- Exhibit "B-1" – Certificate of Authentication by Mr. Domingo P. Nolasco, the Philippine Consul General;
- Exhibit "B-2" – Certification by the U.S. Department of State;
- Exhibit "C" – List of Sheraton's Trademark Registrations;
- Exhibit "D" – Authenticated U.S. Trademark Registration No. 679,027 originally issued on 19 May 1959 and renewed on 19 May 1999, for the mark Sheraton (NICE class 42);
- Exhibit "D-1" – Registration Details;
- Exhibit "D-2" – Certification by the Department of Commerce;
- Exhibit "D-3" – Certification by the U.S. Secretary of State;
- Exhibit "E" – Authenticated Chilean Trademark Registration Certificate No. 494656 dated 14 October 1997 for Sheraton covering NICE class 25 products;
- Exhibit "F" – Authenticated European Community Trademark Registration No. 154450 dated 20 January 1999 for the mark Sheraton, covering NICE classes 25, 41, & 42;
- Exhibit "G" – Authenticated Chinese Trademark Registration No. 361432 dated 20 September 1989 for the mark SHERATON covering NICE class 25 products;
- Exhibit "H" – Authenticated Turkish Trademark Registration No. 111009 dated 22 May 1999 for SHERATON, covering NICE classes 3, 8, 22, 14, 16, 18, 21-22, 24-27, 29-34;
- Exhibit "H-1" – List of products under NICE classes 25, 41, & 42;
- Exhibit "I" – Authenticated Hong Kong Trademark Registration No. 1907 / 1984 dated 19 January 1984 for SHERATON covering class 25;
- Exhibit "J" – Authenticated Turkish Trademark Registration No. 265944 dated 14 March 1991 for SHERATON covering NICE class 25;
- Exhibit "J-1" – NICE class 25;
- Exhibit "K" – Certified True Copy of the Philippine Trademark Application No. 4-1999-07426 dated 29 September 1999 for SHERATON, covering NICE Class 42;
- Exhibit "L" – Brochures containing the mark SHERATON
- Exhibit "M" – Copy of Philippine Trademark Registration No. 32793 dated 24 October 1983 for SHERATON covering "hotel, motel, and restaurant services.";
- Exhibit "N" – Copy of a Decision No. 383 dated 3 May 2004 issued by the Paraguayan Court, with English translation;
- Exhibit "N-1" – Portion of the Decision that stated "that SHERATON is a famous and well-known trademark.";
- Exhibit "O" – Copy of a Decision No. 1424 dated 18 August 2004 with English translation;

- Exhibit "O-1" – Portion of the Decision that stated this mark (SHERATON) is longstanding and prestigious for the hotel services.”;
- Exhibit "P" – Brochures containing the mark SHERATON;
- Exhibit "Q" – Certified True Copy of the Philippine Trademark Registration Certificate No. 4-1999-007426 dated 25 September 2006 for SHERATON covering class 43(Hotel Service);
- Exhibit "R" – Copy of WIPO Administrative Panel Decision dated 30 August 2007 relative to the case entitled Starwood Hotels & Resorts Worldwide, Inc. et al vs. Services LLC, docketed as WIPO Case No. D2007-0829;
- Exhibit "R-1" – Portion of the Decision, stating that complainant’s trademark SHERATON and WESTIN are well known in many countries.”
- Exhibit "S" – Copy of WIPO Administrative Panel Decision dated 23 November 2007 relative to the case entitled Starwood Hotels & Resorts Worldwide, Inc. et. al vs. Caribbean Online International et. al., docketed as WIPO Case No. D2007-1406;
- Exhibit "S-1" – Portion of the Decision, stating that, “there is no doubt that the SHERATON and WESTIN are world famous marks that signify the hotel chain operated by the Complainant.”;
- Exhibit "T" – Copy of WIPO Administrative Panel Decision dated 8 October 2007 relative to the case entitled Starwood Hotels & Resorts Worldwide, Inc. et. al. vs. Kerry Web Enterprise, Inc. et al, docketed as WIPO Case No. D2007-1150;
- Exhibit "U" – Copy of WIPO Administrative Panel Decision dated 17 April 2006 relative to the case entitled Starwood Hotels & Resorts Worldwide, Inc. et. al. vs. Kerry Web Enterprise, Inc. et. al. docketed as WIPO Case No. D2006-0136;
- Exhibit "V" – Listing of SHERATON branded hotels operating worldwide;
- Exhibit "W" – List showing the number of hits to Starwoodhotels.com and Sheraton.com by Philippine residents based on Geosegmentation Country, which is based on the user’s IP address; and
- Exhibit "X" – List showing the number of hits to Whotels.com and Starwoodhotels.com by Philippine residents based on Geosegmentation Country, which is based on the user’s IP address.

On the part of Respondent-Applicant, it submitted the following:

- Exhibit "1" – Petition for Registration of Trademark "Sheraton" by Li Chian doing business under the name and style "Superman Shirt Factory" dated 18 June 1964;
- Exhibit "2" – Statement dated 18 June 1964, proof of and declaration for the used of trademark "SHERATON" by Li Chian;
- 

- Exhibit "3" – Notarized Declaration dated 18 June 1964, proof that no other person, partnership, corporation or association was then using the trademark "SHERATON" for such class;
- Exhibit "4" – Notice of Acceptance of Affidavit of Use dated December 9, 1969;
- Exhibit "5" – Assignment of Mark to Superman Shirt Corp. by Li Chian dated December 1976;
- Exhibit "6" – Affidavit of Use dated 29 June 1970 by Li Chian;
- Exhibit "7" – Affidavit of Use dated 30th October 1980; and
- Exhibit "8" – Affidavit of Use dated 6th July 1989.

The issue to be resolved in the instant case is whether Respondent-Applicant's trademark SHERATON for shirts and polo shirts should be allowed for registration.

At the outset, records show that both parties' previous trademark registrations under the old Trademark Law or Republic Act No. 166 were both cancelled. The parties then refiled their respective trademark for registration under the regime of the Intellectual Property Code of the Philippines (IP Code) or Republic Act No. 8293. Thus, any right conferred on the subsequent trademark applications and/or registrations of the parties should be governed by Republic Act No. 8293 or the IP Code.

As culled from the records, when the Respondent-Applicant refiled its application for the trademark "SHERATON" on 31 January 2001, the Opposer has an existing trademark registration for a similar wordmark "SHERATON."⁵

The contending trademarks are depicted below for comparison:

SHERATON

SHERATON

Opposer's Trademark

Respondent-Applicant's Trademark

As shown above, the contending trademarks are both composed of the word "SHERATON" in an identical all capital letters with a serif typeface font. Although the respondent-applicant mark is written with a bold typeface, the difference is not substantial and at best negligible to the consuming public.

⁵ Exhibit "Q" of the Opposer and Trademark Application No. 4-2001-0000684

Our IP Code under Section 123.1 specifically provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date with respect to the same goods or services or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

Thus, there is a needs to determine whether the subject goods of the contending trademarks are similar or closely related goods such that it would likely cause mistake or confusion. On this issue, this Bureau answers in the affirmative.

The Opposer's trademark is registered for hotel services and real estate development under Class 43 and the Respondent-Applicant's mark covers clothing products, particularly shirts and polo shirts under Class 25 of the Nice Classification. However, this office takes cognizance of the practice in hospitality industry, where hotel services belong, of selling souvenirs and memorabilia, which include clothing items bearing their trademark. Mr. Jared T. Finkelstein in his affidavit testified that clothing items including baseball hats, shirts, golf shirts and robes are sold on its Sheraton branded property shops.⁶ In addition, the Opposer has also presented that its mark has been registered on NICE Class 25 products in various jurisdictions.⁷

Moreover, the Respondent-Applicant has even admitted and acknowledged that the Opposer's "SHERATON" mark is a well-known mark and with global reputation.⁸ Under Section 123.1 (f) of the Intellectual Property Code, it provides that:

Section 123.1. A mark cannot be registered if it:

x x x

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered well known in accordance with the preseding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark; Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use. [emphasis supplied]

Thus, even assuming that clothing items are not similar to the hotel and real estate services of the Opposer, the registration of the identical mark for the said items would still not be allowed as it nonetheless would indicate a possible connection between the goods of the Respondent-Applicant and the services of the Opposer.

⁶ Exhibit "B" of the Opposer

⁷ Exhibit "E", "F", "G", "H-1", "I" and "J" of the of the Opposer

⁸ par. 4, 9, 10, and 16 pp. 4-6, Respondent-Applicant's Position Paper

It is consistently stressed that 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.⁹

It has been held in our jurisdiction that the law does not require that there be 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 Also, the likelihood of confusion would subsist not only on the purchaser's perception of the 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 even 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.**
[emphasis supplied]

It is also emphasized that a trademark is a distinctive mark of authenticity through which the merchandise of a particular producer or manufacturer may be distinguished from that of others, and its sole function is to designate distinctively the origin of the products to which it is attached.¹²

More importantly, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.¹³

⁹ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

¹⁰ American Wire & Cable Co. vs. Director of Patents, et. al., G.R. No. L-26557, February 18, 1970

¹¹ Converse Rubber Corporation vs. Universal Rubber-Products, Inc. et. al. G.R. No. L27906, January 8, 1987


¹² Arce Sons and Co. vs. Selecta Biscuit et. al., G.R. L-14761, 28 January 1961 citing Reynolds & Reynolds Co. vs. Nordic, et al., 114F 2d, 278

¹³ Berris Agricultural Co., Inc. vs. Norvy Abyadang, G.R. No. 183404, 13 October 2010; Skechers, U.S.A. vs. Inter Pacific Industrial Trading Corp.; Trendworks International Corporation vs. Inter Pacific Industrial Trading Corp., G.R. No. 164321, 28 March 2011.

WHEREFORE, premises considered, the instant Opposition to Trademark Application Serial No. 42001000684 is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 42001000684 be returned together with a copy of this **DECISION** to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 29 NOV 2017


Atty. **Leonardo Oliver Limbo**
Adjudication Officer
Bureau of Legal Affairs