CHILDREN`S TELIVISON
WORKSHOP,
Petitioner,

- versus

NYLEX INDUSTRIAL CORPORATION,
Respondent-Registrant.
x----------x

INTER PARTES CASE NO. 1557

PETITION FOR CANCELLATION

Cert. Of Regn. No. 28766
Issued : December 29, 1980
Registrant : Nylex Industrial Corporation
Trademark : SESAME STREET
Used on : Basketballs

DECISION NO. 88-68 (TM)
August 4, 1988

DECISION

Children's Television Workshop, an American corporation, filed a Petition for Cancellation (Inter Partes Case No. 1557) of Certificate of Registration No. 28766 issued on December 29, 1980 in favor of Nylex Industrial Corporation, a domestic corporation, for the trademark "SESAME STREET" used on basketballs (Class 28).

Petitioner filed this Petition on the grounds, among others, that Respondent-Registrant was not entitled to the registration of the trademark "SESAME STREET" at the time of filing of the application therefore; and that Petitioner`s mark "SESAME STREET" is well known throughout the world including the Philippines and has registered the same in the Philippines for various classes of goods, namely:

(1) Certificate of Registration No. 22313 for the service mark "SESAME STREET" used on television program and educational services for children (Class 67, now Class 41; Exhs. "A" and "A-1);

(2) Certificate of Registration no. 22186 for the trademark "SESAME STREET" used on phonograph records (Class 37, now Class 9; Exhs. "C" and "C-1"); and

(3) Certificate of Registration No. 28362 for the trademark "SESAME STREET & REP." used on garments particularly T-shirts, under shirts and infants' wear (Class 25; Exhs. "D" and "D-1")

For failure to file an Answer, and upon motion of Petitioner, respondent-Registrant was declared in default. Accordingly, Petitioner was allowed to present its evidence ex parte (Order No. 82-65

During the trial, Petitioner submitted its documentary evidence (Exhs. "A" to "I" and submarkings ) and Memorandum arguing that the continuous use of the trademark "SESAME STREET" by Respondent-Registrant will cause damage to it notwithstanding the dissimilarity between their products, and that its right should be protected under the theories of confusion of business and dilution of trademark.

The issue to be resolved is whether or not the continued use of the trademark "SESAME STREET" on Respondent-registrant's goods would likely cause confusion, mistake or deception upon purchasers as to the source or origin thereof.

In case involving infringement of trademark, it has been consistently held that there is infringement when the use of the trademark involved would likely cause confusion, mistake or deception upon purchasers as to the source or origin of the commodity (Fruit of the Loom, Inc. vs. Court of Appeals, 133 SCRA 405, citing Co Tiong Sa vs. Director of Patents, 95 Phil. 1; Alhambra Cigar & Cigarette Co. vs. Mojica, 27 Phil. 266; Sapolin Co. vs. Balmaceda, 67 Phil. 705; La Insular vs. Lao Oge, 47 Phil. 75). The Supreme Court even noted that Section 4 (d) of Republic Act 166, as amended, does not require that theatricals of manufacture of the previous user and the late user of the mark should possess the same categories as to bar the latter from registering his mark in the principal register. The meat of the matter is the likelihood of confusion, mistake or deception upon purchasers of the goods of the junior user of the mark and the goods manufactured by the previous user (Sta. Ana vs. Maliwat, 24 SCRA 1018, and citing Chua Che vs. Philippine Patent Office, 13 SCRA 67).

This Bureau, guided by the foregoing standard, is convinced that although Respondent-Registrants trademark "SESAME STREET" is used on basketballs under Class 28 (Exhs. "I-1"), while Petitioner's mark "SESAME STREET" is used on television programs and educational services for children under Class 41 (Exh. "A-1-C"), on phonograph records under Class 9 (Exh. "C-1-C") and on garments, particularly T-shirts, undershirts and infants wear under Class 25 (Exh. "D-1-C"), the likelihood of confusion, mistake or deception upon purchasers as to the source or origin of Respondent-Registrant's goods cannot be avoided considering that petitioner's mark "SESAME STREET" is well known in the United States and several countries of the world, including the Philippines (Sworn Statement of David V.B. Britt, p.2, par. 8; Exh. "B") and that Respondent-Registrant's trademark "SESAME STREET" (Exhs. "I-1-B") is exactly similar with Petitioner's mark "SESAME STREET" (Exhs. "A-1-B", "C-1-B", "D-1-B" and "H") in spelling, sound and appearance. Moreover, the products of both parties are intended primarily for one class of consumers, the children, and flow through the same channels of trade, namely, department stores.

Thus, in Mine Safety Appliances Co. vs. Management Science America, Inc., 212 USPQ 105, it was ruled that:

> 'There is no requirement that goods or services be identical or even competitive on nature in order to find that likelihood of confusion exist; rather, it is sufficient that there be some relationship between involved goods or services and/or that circumstances surrounding their marketing would cause them to be encountered by same persons who might, because of similarity of marks, mistakenly believe that they have common origin or are somehow associated with same producer."

And in the leading case of Ang vs. Teodoro, 174 Phil. 50, the Supreme Court ruled that:

> 'x x x 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 the said mark, to convey to the public a false impression of some supposed connection between original mark and the new articles being tendered to the public under the same or similar mark x x x.
>
> The owner of trademark or tradename has a property right 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."

It should be noted that Petitioner has pending applications for registration of its trademark "SESAME STREET" for various classes of goods, to wit: (1) Application Serial No. 44823 for

educational services (Class 41; Exhs. “E”, “E-1” and “E-2”); (2) Application Serial No. 42172 for phonograph records (Class 9), educational materials (Class 16), and toys, packaged amusement and educational games, puppets, puzzles, toy film cartridge and viewer (Class 28; Exhs. “G”, “G-1” and “G-2”).

The aforecited applications show that Petitioner has expanded its product lines to the extent that they include or cover goods manufactured by Respondent-Registrant. Hence, the likelihood of confusion, mistake or deception as to the sponsorship of Respondent-Registrant’s goods is made more real.

WHEREFORE, the Petition is GRANTED. Consequently, Certificate of Registration No. 28766 issued to Respondent-Registrant is CANCELLED.

Let the records of this case be remanded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director