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| NBA PROPERTIES, INC. | } | IPC No. 14-2002-00052 |
| Opposer | } | Opposition to: |
| | } | |
| -versus- | } | Serial No.: 102784 |
| | } | Date Filed: Sept. 18, 1995 |
| | } | Trademark: "NBA" |
| WILLIAM LIM, | } | |
| Respondent-Applicant, | } | |
| x-----x | } | Decision No. 2005-03 |

DECISION

The case involves an opposition filed by NBA Properties, Inc. against trademark application filed by William Lim bearing serial no. 102784 to register "NBA" for corn snack food, which was published for opposition in pages 79 and 80 of the IPO Official Gazette, No. 2 Vol. V and officially released for circulation on June 25, 2002.

Within the mandatory period provided by law, Opposer filed its opposition stating the following grounds for opposition:

- "1. The trademark "NBA" of Respondent-Applicant is confusingly similar to Opposer's mark "NBA" as to be likely, when applied to the goods, or when used by Respondent-Applicant in connection with his goods and services, to cause confusion or to mislead consumers as to the actual source or origin of the goods.
- "2. The trademark "NBA" of Opposer is internationally well-known and is a registered trademark of Opposer in the Philippines. As a registered mark that is internationally and locally well-known, the mark is entitled to expanded protection even for classes of goods in which it is not registered pursuant to the Intellectual Property Code and the Paris Convention.
- "3. Opposer is the first to adopt and to use the mark and is the first to register the mark in the Philippines. Respondent-Applicant's adoption of the same mark was done in bad faith with the illegal and immoral intention of cashing in on the immense popularity and goodwill of the Opposer's trademark.
- "4. The initials "NBA" stands for "National Basketball Association" which is the name by which the Opposer is known in the trade. The mark "NBA" is a trade name entitled to protection under the law.

In support of the above grounds, the Opposer cited the following facts:

- "1. Opposer is the owner of the National Basketball Association (NBA) trademark consisting of team names and team logos of the various NBA teams, including the initials "NBA". It uses its trademarks in connection with the game basketball and the goods and services associated with it both in its home country, the United States, and in other countries including the Philippines.
- "2. Opposer's home country, the United States, is a member of the Paris convention, to which treaty the Philippines is also a party. Reciprocity therefore obtains between the two countries for the protection of the trademarks.
- "3. Opposer has obtained trademark registrations or has filed applications for registration of its trademarks, consisting of various NBA team names and team logos, including the initial "NBA" in various countries the world over. Attached as

Annex "A" is a listing of the registrations and application for registration which Opposer has filed in various countries for the trademark "NBA".

- "4. In the Philippines, the Opposer was first to register the trademark NBA and it at present owns the following registration for the trademark "NBA"

| TRADEMARK | REG. NO. | DATE ISSUED |
|--|---------------|----------------|
| NBA LOGO | 50133 | March 13, 1991 |
| NBA LOGO CONSISTING OF SILHOUTTE OF A MARK WITH BALL | 57416 | March 22, 1994 |
| NBA LOGO CONSISTING OF SILHOUTTE OF A MARK WITH BALL | 57630 | April 5, 1995 |
| NBA LOGO | 4-1999-111100 | March 26, 2001 |
| NBA LOGO | 4-1996-113722 | March 12, 2001 |

Attached as Annexes "B", "C", "D", "E" and "F" are copies of the above registrations.

- "5. Opposer's NBA team names have been held by competent authority in the Philippines to be well-known both locally and internationally. Attached as Annex "G" is a copy of Decision No. 2000-04 rendered by the Intellectual Property Office in the case of NBA Properties, Inc. vs. Heriberto D. Tiu (Inter-Partes Case No. 3693), declaring the marks of Opposer to be well-known.
- "6. Opposer uses the mark NBA both as its trademark and as its trade name and has sold a wide variety of goods under the mark through its licenses in various countries of the world, including licensee, Pro-Star Philippines, Inc., distributes NBA merchandise bearing the mark NBA.
- "7. Opposer's mark is further shown over television in the broadcast of NBA games in the Philippines.
- "8. Opposer has extensively advertised its mark in the Philippines and all over the world. Opposer has therefore built up an enormous goodwill for its trademark which is associated with the quality of goods and services provided with the trademark.
- "9. Respondent-Applicant has adopted the exact initials standing for Opposer's trademark and trade name for the purpose of associating its product with the fame and goodwill attached to Opposer's mark. Respondent's copying of Opposer's exact mark will injure Opposer by false association with Respondent's products.

On October 25, 2002, a Notice to Answer was issued by this Office requiring Respondent-Applicant to file his Answer to the Opposition. Upon Respondent's failure to file his answer within the period allowed, Opposer moved to have Respondent-Applicant declared in default. On February 24, 2003, an order declaring Respondent-Applicant in default was issued and hearing were set for the ex-parte reception of evidence for Opposer.

The lone issue raised by Opposer is:

Whether or not Respondent's application should be denied for being confusingly similar to Opposer's trademark.

There is no question that the parties' marks are identical. Both marks consist of the initials "NBA" which gives rise to an inference that confusion is likely. But in determining whether two marks in question are confusingly similar, it is not enough to compare the marks. The goods to which the marks are attached to must also be considered. (*MEAD JOHNSON vs. NVJ VAN DORP*, GR No. L-17501, April 27, 1963)

In the Opposer's certificate of registration, it appears that the same covers goods and services under Classes 25, 16, 28, 41, 9 and 32 of the official classification which consist of clothing, paper articles, games and playthings, entertainment services, software and audio/video articles and drinks. (Exhibits "B", "C", "D", "E" and "F") On the other hand, Respondent-Applicant's application covers goods which fall under an entirely different class, or under Class 30 or corn snack food. Thus, indicating that the parties' goods and services are entirely dissimilar.

However, there is substantial evidence that the Respondent-Applicant intentionally copied Opposer's mark that despite dissimilarity of the goods intentionally copied Opposer's mark that despite dissimilarity of the goods, confusion between the marks can still be inferred. Hence, the intent of the Applicant in adopting the mark must be taken into account.

In *AMERICAN WIRE & CABLE COMPANY vs. DIRECTOR OF PATENTS and CENTRAL BANAHAW INDUSTRIES* (G.R. No. L-26557, February 18, 1970.), the Supreme Court said that in cases of colorable imitations the intent to take advantage of goodwill of another, is apparent if not real; to wit:

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 to those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.

If adoption of a mark closely similar to another's trademark gives rise to a presumption of intent to take advantage of the goodwill generated by the other mark, what's more if the marks are identical.

A perusal of the actual labels/wrappers submitted by Respondent-Applicant as contained in the filewrappers (Exhibits "K", "L", "M", "N" and "O"), show that the initials "NBA" are prominently written in bold letter. In addition to the initials "NBA", each wrappers has a representation of well-known NBA basketball player. For example, on one label (Exhibit "K") the likeness of NBA basketball superstar Michael Jordan is depicted with the numeral "23" on the jersey to further identify the said player. Proof that Respondent-Applicant intentionally copied Opposer's mark, giving rise to a powerful inference that confusion is likely. (*SPRING MILLS, INC. vs. ULTRACASHMERE HOUSE, LTD.*, 689 F.2d 1127, 1135 (2D Cir, 1982)

There is no doubt that Respondent-Applicant intend to capitalize on the goodwill established by the mark "NBA" even assuming that the initials "NBA" stand for something else and not necessarily the "National Basketball Association". The depiction of NBA players on its labels cannot escape the conclusion that Respondent-Applicant's "NBA" mark was intended to stand for the same "NBA" mark of the Opposer. This clearly shows that Respondent-Applicant seeks to free ride with whatever fame and popularity that the NBA basketball games have in the Philippines.

It is a basic precept in trademark laws that trademark rights can be obtained on good faith only. It would be unfair to the owners of the "NBA" mark that its mark would be indiscriminately used by unauthorized vendors and profit from the goodwill established by the "NBA" mark.

Moreover, despite the opportunity given to the Respondent-Applicant to defend his interest on the mark, he has failed to do so. In fact, he did not even file his Answer to the Notice of Opposition filed by herein Opposer, NBA Properties Inc. This actuation of the Respondent-Applicant is indicative of his lack of interest in prosecuting/defending his application and is deemed to be an abandonment of his application for the mark "NBA".

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Application bearing Serial No. 102784 for the registration of the trademark "NBA" for corn snack food, filed by WILLIAM LIM is as it is hereby, considered VOLUNTARILY ABANDONED.

Let the filewrapper of "NBA" subject matter of this case be forwarded to the Administrative, Financial and Human Resources Development Services Bureau for appropriate action in accordance with this Decision, with a copy thereof to be furnished the Bureau of Trademarks for information and to update their records.

SO ORDERED.

Makati City, January 31, 2005.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office