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| **NIKE INTERNATIONAL, LTD.,**<br>Opposer,<br><br>**-versus-**<br><br>**LEANDRO A. MALASIG,**<br>Respondent- Applicant. | } | **IPC No. 14-2011-00239**<br>Opposition to:<br>Appln. Serial No. 4-2010-013306<br>Date Filed: 08 December 2010<br>**TM: "LE BRON & DEVICE"** |

## NOTICE OF DECISION

**CARAG JAMORA SOMERA & VILLAREAL LAW OFFICES**
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**LEANDRO A. MALASIG**
Respondent-Applicant
12 Quartz St., Las Piñas Royale Estates
Naga Road, Las Piñas City

**GREETINGS:**

Please be informed that Decision No. 2016 - 234 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 01, 2016.

For the Director:

**Atty. EDWIN DANILO A. DATING**
Director III
Bureau of Legal Affairs

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| **NIKE INTERNATIONAL, LTD.,** *Opposer,* | } | **IPC No. 14-2011-00239** |
| **-versus-** | } | **Opposition to:** **Application No. 4-2010-013306** **Date Filed: 08 December 2010** **Trademark: "LE BRON & DEVICE"** |
| **LEANDRO A. MALASIG,** *Respondent-Applicant.* | } | |
| x---------- | x | *Decision No. 2016-234* |

## DECISION

NIKE INTERNATIONAL, LTD.[1] ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-013306. The application, filed by Leandro A. Malasig[2] ("Respondent-Applicant"), covers the mark "LE BRON AND DEVICE" for use on "*perfumery, cologne*" under Class 03 of the International Classification of Goods and Services.[3]

The Opposer alleges:

x x x

"GROUNDS RELIED UPON FOR THIS OPPOSITION

"8. The allowance for registration of the Respondent-Applicant's mark 'LeBRON AND DEVICE' bearing the aforesaid details, contravenes Section 123.1 (d), (e) and (f) of Republic Act No. 8293 ('R.A. No. 8293' or the 'IP Code').

"9. The mark 'LeBRON AND DEVICE' is identical to and so resembles the Opposer's/Nike Group of Companies 'LEBRON Marks', as to be likely when applied to or used in connection with the Respondent-Applicant's sought-to-be-covered Class 3 goods, to likely deceive or cause confusion with Opposer's/Nike Group of Companies' goods bearing their 'LEBRON Marks'.

"10. The use by Respondent-Applicant of the mark 'LeBRON AND DEVICE' on goods that are similar, identical or closely related to the goods that are produced by, originate from, offered by, and/or are under the sponsorship of Opposer/Nike Group of Companies bearing the latter's 'LEBRON Marks', will greatly mislead the purchasing/consumer public into believing that Respondent-Applicant's goods are produced by, originate from, and/or are under the sponsorship of herein Opposer.Nike Group of Companies.

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[1] A foreign corporation organized by virtue of the laws of Bermuda, with postal address at One Bowerman Drive, Beaverton, Oregon 97005-6453, U.S.A.

[2] With address at 12 Quartz St., Las Pinas Royale Estates, Naga Road, Las Pinas City, 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.



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"11. Opposer/Nike Group of Companies have not abandoned the use of their 'LEBRON Marks' in the Philippines and elsewhere around the world.

"12. Opposer/Nike Group of Companies submit that their 'LEBRON Marks' are well-known marks which are entitled to broad protection under Article 6bis of the Paris Convention for the Protection of Industrial Property (the 'Paris Convention') and Article 16 of the Trade-Related Aspects of Intellectual Property (the 'TRIPS Agreement'), to which the Philippines and the USA are signatories. The Opposer's 'LEBRON Marks' meet the criteria laid down under Rule 102 of this Office's Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Container of Goods for determining whether a mark is a well-known one.

"13. The registration of Respondent-Applicant's 'LeBRON AND DEVICE' mark contravenes the provisions of R.A. No. 8293, the Paris Convention and the TRIPS Agreement, hence is subject to non-allowance for registration under the pertinent provisions of said laws.

"14. Respondent-Applicant's misappropriation of the 'LeBRON AND DEVICE' marks was done in bad faith and is meant to ride on the goodwill and worldwide popularity already gained by the Opposer's 'LEBRON Marks'.

"15. In support of this Opposition, Opposer shall prove and rely upon, among others, the following:

"(a) The Opposer/Nike Group are the true owners of the 'LEBRON Marks', which have been registered in the Opposer's/Nike Group's names and/or are the subjects of applications for registration in the countries of Australia, Benelux, Brazil, Bulgaria, Canada, China, Czech Republic, European Union (CTM), Hong Kong, India, Indonesia, Israel, Korea, Malaysia, Mexico, Norway, Philippines, Romania, Russian Federation, Singapore, Switzerland, Taiwan, and the United States of America, with respect to goods in Classes 9, 14, 18, 25 and 28, including footwear, clothing, bags and sporting goods ('Goods'). A list of registrations and Goods covered for the LEBRON mark is marked and attached hereto as Exhibit C x x x, to form an integral part hereof. A list of registrations and Goods covered for the L23 mark is marked and attached as Exhibit D x x x, to form an integral part hereof. A list of applications and Goods covered for the LeBron Crown Design mark is marked and attached as Exhibit E x x x, to form an integral part hereof. Certified copies of a representative selection of the trademark registration certificates for the 'LEBRON Marks' obtained from the European Union, Hong Kong, Indonesia, Korea, Singapore, Taiwan and the United States are marked and attached hereto as Exhibits 'F'-'L' x x x to form integral parts hereof.

"(b) The following are the details of the Philippine registrations issued in Opposer's name by this Honorable Office's Bureau of Trademarks:

x x x

"(c) Apart from the foregoing, Opposer also filed an application for registration that is pending with this Office's Bureau of Trademarks, bearing the following details:

x x x

"(d) The Nike Group has had extensive worldwide sales of various products bearing the 'LEBRON Marks'. The chart featured below, shows relevant sales figures for LEBRON Brand products made from 2003 to 2010.

x x x

"(e) Nike Group has sold LEBRON Brand products in the Philippines since at least as early as 2004, and has had significant, continuous sales of LEBRON products in the Philippines for many years. From 2004 to 2011 (to present), Nike Group's sales of LEBRON products in the Philippines exceed US $5 million. The approximate sales in the Philippines for LEBRON Brand products from 2004 to present is shown in the following table:

x x x

"(f) Every year, large sums of money are spent by Nike Group in advertising and promotional activities of products sold under the LEBRON Brand Marks. This includes print advertisements in magazines having international circulation, release of high profile television advertisements (including television advertisements aired during major sporting events watched by millions of people around the world, including the Philippines), Internet promotion, and promotions made at major sporting events, including NBA and NBA All-Star events. Marked and attached as Exhibit N collectively x x x to form integral parts hereof, are true and correct copies of various advertisements that have been circulated internationally, including a series of high profile television ads title 'The Lebrons'. Further, LeBron James, competes in major basketball tournaments broadcast on television and watched by millions of viewers around the world, including in the Philippines. The products sold under the trade mark LEBRON are, thus, known to sport lovers and consumers around the world, including the Philippines.

"(g) LeBron James and LeBron James' affiliation with Nike are subjects frequently discussed in high profile publications with a worldwide circulation. Marked and attached herewith as Exhibit O collectively x x x to form integral parts hereof, are true and correct copies of various articles and publications, including the below-referenced articles, evidencing the global fame of LeBron James and his association with Nike, to wit:

x x x

"(h) As further evidence of the worldwide exposure of renown of LeBron James, he played on the 2004 US Olympic team, the 2006 US World Championship Team and the 2008 Olympic Team. The high profile Olympic basketball games were viewed by consumers around the world, including in the Philippines.

"(i) The LEBRON trademark possesses worldwide reputation and goodwill as the result of global business activities as indicated above and large advertising and promotional expenditures over several years, including

advertisements, promotional catalogs, websites, brochures, billboards and products that promote the LEBRON Brand.

"(j) In connection with the Opposer's/Nike Group's policy to protect their rights over their 'LEBRON Marks', they have successfully prevailed in the following actions:

x x x

The Opposer's evidence consists of the Affidavit of Ms. Jaime M. Lemons, Opposer's Assistant General Counsel; copies of articles and internet screen shots, detailing biography of well-known professional basketball player LeBron James; a list of registrations and goods covered by the Opposer's "LEBRON" mark; a list of registrations and goods covered by the Opposer's "L23" mark; a list of applications and goods covered for the Opposer's "LeBron Crown Design"; a copy of CTM Reg. No. 003672391 from the Office for the Harmonization in the Internal Market ("OHIM") for the mark "LEBRON" in International Classes 9, 14, 18, 25 and 28 issued in Opposer's name; a copy of Hong Kong Trademark Reg. NO. 300375723 from the Trade Marks Registry, Intellectual Property Department, The Government of the Hong Kong Special Administrative Region for the mark "LEBRON" in International Classes 9, 14, 18, 25 and 28 issued in Opposer's name; a copy of Korean Trademark Reg. No. 0665620 from the Korea Intellectual Property Office together with its English translation for the mar "LEBRON" in International Classes 9, 14, 18 and 25 issued in Opposer's name; a copy of Singapore Trade Mark Reg. No. T05204051 from the Registry of Trade Marks, Intellectual Property Office of Singapore for the mark "LEBRON" in International Class 25 issued in Opposer's name; a copy of Taiwan Trademark Reg. No. 01224662 from the Intellectual Property Office, Ministry of Economic Affairs, Republic of China for the mark "LEBRON" in International Classes 9, 14, 18, 25 and 28 issued in Opposer's name; a copy of US Trademark Reg. No. 3, 370, 246 from the United States Patent and Trademark Office ("USPTO") for the mark "LEBRON" in International Class 25 issued in Opposer's name; a copy of US Trademark Reg. No. 3, 412, 757 from the USPTO for the mark "LEBRON" in International Class 18 issued in Opposer's name; a copy of US Trademark Reg. No. 3, 432, 675 from USPTO for the mark "LEBRON" in International Class 28 issued in Opposer's name; copies of Indonesian Trademark Certificate No. IDM00007858 and IPM000097857 from the Directorate General of Intellectual Property Rights of the Minister of Law and Human Rights of the Republic of Indonesia together with their respective English translations for the mark "LEBRON" in International Classes 28 and 18 both issued in the Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004692 issued by the Intellectual Property Office of the Philippines ("IPOPHL") for the mark "L23" in International Class 14 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004689 issued by the IPOPHL for the mark "L23 (STYLIZED)" in International Class 18 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004691 issued by IPOPHL for the mark "L23" in International Class 25 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004696 issued by IPOPHL for the mark "LEBRON" in International Class 14

issued in Opposer's name; a copy of Trademark Reg. No. 4-2005-004694 issued by IPOPHL for the mark "LEBRON" in International Class 18 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004695 issued by the IPOPHL for the mark "LEBRON" in International Class 25 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2005-004693 issued by IPOPHL for the mark "LEBRON" in International Class 28 issued in Opposer's name; a copy of Philippine Trademark Reg. No. 4-2011-500189 filed with the IPOPHL for the mark "LeBron Logo" in International Classes 18, 25, and 28 in Opposer's name; copies of various advertisements that have been circulated internationally by the Opposer pertaining to the LEBRON Brand Marks; copies of various articles and publications proving the global fame of LeBron James and his association with Nike and copies of several court decisions obtained in Opposer's favor from different jurisdictions acknowledging the well-known or famous status of LeBron James and the LEBRON trademarks.[4]

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 15 July 2011. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark LE BRON AND DEVICE?

The Opposer anchors its opposition on Sections 123.1, paragraphs (d), (e) and (f) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

> Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:
>
> x x x
>
> (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;"
>
> (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

[4]Marked as Exhibits "A" to "EE", inclusive.

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service 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;

Records show that at the time the Respondent-Applicant filed its trademark application on 08 December 2010, the Opposer already has existing trademark registrations for the mark LEBRON under Trademark Registration Nos. 4-2005-004696 issued on 27 November 2006, 4-2005-004694 issued on 27 November 2006, 4-2005-004695 issued on 30 April 2007 and 4-2005-004693 issued on 27 November 2006. These registrations cover goods in Classes 14, 18, 25 and 28. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. perfumery, cologne under Class 03, are closely-related to the Opposer's.

A comparison of the competing marks reproduced below:

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|---|---|
| **LEBRON** |   |
| *Opposer's trademark* | *Respondent-Applicant's mark* |

shows that confusion is likely to occur. What draws the eyes and the ears with respect to Respondent-Applicant's mark is the word "LEBRON". Respondent-Applicant's mark LE BRON AND DEVICE adopted the dominant feature of Opposer's LEBRON trademarks, which is the word LEBRON. "LEBRON" is the prominent, in fact, the definitive feature of the Opposers' LEBRON trademarks covered under Trademark Registration Nos. 4-2005-004696, 4-2005-004694, 4-2005-004695 and 4-2005-004693. These registrations cover goods in Classes 14, 18, 25 and 28. Respondent-Applicant's goods, i.e. perfumery and cologne under Class 03 are related to goods covered under Classes 14, 18, 25 and 28 namely watches, clothing, bags, shoes and sporting goods as these are all Fashion house items. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

> Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.[5]

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized 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.[6]

The Respondent-Applicant's filing of their trademark application in the Philippines for Class 03 may be earlier than the Opposer's, but the latter raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

In this regard, this Bureau emphasizes that it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 16(1) of the TRIPS Agreement states:

> 1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

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[5] Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

[6] *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.[7] The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Shen Dar Electricity Machinery Co., Ltd. v. E.Y. Industrial Sales Inc., Engracio Yap, et. al.,*[8], the Director General held:

> The IP Code adheres to the existing rationale of trademark registration. That is, certificates of registration should be granted only to the real owners of trademarks. While the 'First-to-File' rule is the general rule for trademark applications filed under and governed by RA 8293, it is not to be applied if there is a determination in appropriate proceedings:
>
> 1. That the 'first-filer' is not the owner of the trademark or is not authorized by the owner to procure registration of the trademark in his, her, or its favor; or
>
> 2. That the adoption and/or use by the 'first-filer' of the trademark, even in good faith, is preceded by an actual use by another, also in good faith, prior to the taking into force and effect of RA. 8293.'

In this instance, the Opposer proved that he is the originator and owner of the contested mark. As stated, "The "LEBRON Brand" is named after LeBron James, an internationally famous professional basketball player, dubbed as "King James." LeBron James has been associated with the Nike Group of Companies since 2003 when Nike and LeBron James first entered into an endorsement agreement. Since then and to date, pursuant to the agreement, Nike has launched numerous LEBRON Brand products worldwide".[9] In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend his trademark application and to explain how he arrived at using the mark LE BRON AND DEVICE which is exactly the same as the Opposer's. It is incredible for the Respondent-Applicant to have come up with exactly the same mark by pure coincidence.

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[7] See Sec. 236 of the IP Code.

[8] Appeal No. 14-06-09 dated 28 May 2007.

[9] Paragraphs 6 and 7 of the Opposition.

Succinctly, the field from which a person may select a trademark is practically unlimited. 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 Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.[10]

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-013306 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, 30 JUN 2016.

**ATTY. NATHANIEL S. AREVALO**
Director IV, Bureau of Legal Affairs

[10] *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.