ABG TAPOUT LLC, Opposer, **-versus-** **FREDERICK XAVIER B. TURABIN,** Respondent-Applicant.	}	**IPC No. 14-2013-00450** Opposition to: Application No.4-2012-012081 Date filed: 01 October 2012 **TM: "TAPA OUT"**

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 19 dated March 02, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 02, 2015.

For the Director:

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

ABG TAPOUT LLC,	}	**IPC No. 14-2013-00450**
Opposer,	}	Opposition to:
	}	
- versus -	}	Application No. 4-2012-012081
	}	Date Filed: 01 October 2012
FREDERICK XAVIER B. TURABIN,	}	
Respondent-Applicant.	}	Trademark: **TAPA OUT**
x----------x		Decision No. 2015 - 19

DECISION

ABG TAPOUT LLC[1] ("Opposer") filed a Verified Notice of Opposition to Trademark Application No. 4-2012-00012081. The contested application, filed by FREDERICK XAVIER B. TURABIN[2] ("Respondent-Applicant"), covers the mark TAPA OUT for use on *"bottled water; take out meals"* under Classes 32 and 43 of the International Classification of goods[3].

The Opposer alleges, among other things, that:

"A. Opposer is the prior adopter, user and true owner of the trademark TAPOUT in the Philippines and elsewhere around the world.

"10. Opposer is the owner of the TAPOUT trademark, which has been registered in various countries and intellectual property offices worldwide, including in the Philippines. Representations of Opposer's TAPOUT trademark and its variations are replicated below for this Honorable Office's reference:

TAPOUT TapouT Vintage

"11. Opposer traces its roots to TAPOUT LLC, which was founded in 1997 by Charles "Mask" Lewis and Dan "Punkass" Caldwell, who along with Tim "Skyscraper" Katz formed the famous "Tapout Crew" that became fixtures in mixed martial arts (MMA) shows around the USA. The trio famously took the company from shelling shirts out of the back of a car to a business with profits in excess of US$100 million. Tapout's passion for the sport has turned into a full-on underground culture, as the Tapout Crew, Mask, Punkass and Skyscrape, extended the growing popularity of MMA through their presence at the most extreme events, supporting fighters and offering the hottest edgiest apparel for men and women. Their distinctive "TAPOUT" trademark and logo grace everything from hats, tees and car windows, and now extreme home fitness. For millions of fans worldwide, the Tapout lifestyle inspires those to reach their goals and know that anything is possible if they "Simply Believe".

1 A corporation organized and existing under the laws of the State of Delaware, with principal office at 100 West 33rd Street, Suite 1007, New York, New York 10001, U.S.A.

2 With given address at 27 Old Denver Street, Filinvest 2, Batasan Hills, Quezon City.

3 Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This 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.

"12. TAPOUT is not only the world's leading brand in MMA apparel, gear and lifestyle for men, women and children and represents the biggest MMA superstars including Rashad Evans, Rich Franklin, Dan Hardy, Thiago Alves, Chael Sonnen, Stephan Bonnar, Jake Shields, Ryan Bader and Roy Nelson, TAPOUT boasts a sought after clothing line, a TV reality show, Tapout Radio, and is the official brand for Spike TV's hit reality show "The Ultimate Fighter", and also stars in the hit reality show "Tapout". TAPOUT-branded goods are sold not only in more than 20,000 retail stores worldwide, as well as through the Internet.

"13. On August 31, 2010, Tapout LLC was purchased by ABG TAPOUT LLC, a wholly-owned subsidiary of Authentic Brands Group, LLC, which has global brand building experience in apparel, action sports, consumer electronics, home and celebrity brands. With the acquisition of Tapout LLC, ABG TAPOUT LLC now owns the brand TAPOUT and its variants, which is the number one MMA lifestyle brand n the world, a brand name that has become synonymous with the sport itself. TAPOUT has global brand awareness that has grown alongside the MMA over the last 15 years by staying focused on the athletes and fans.

"14. Opposer provides apparel for men, women and children. It offers t-shirts, walkout shirts, hoodies and jackets, hats and beanies, shorts and pants, thermals, and training gear for men; shirts, sweatshirts, and pants and shorts for women; apparel for infants and toddlers, boys aged four to seven, boys aged 6 to 12, and girls; and mouth-guards. Opposer also offers accessories, such as gym bags and packs, hats and beanies, belts and buckles, DVDs/Blu-ray/books, gift cards, power bands, watches, and racing products, all under the TAPOUT brand and its variants. x x x

"15. Opposer, also under the TAPOUT brand, produces and sells vitamins and supplements to complement its in-home workout regimens for the fitness enthusiast, such as its Fitness Nutrition Multi-Vitamin and Mineral Supplement, All In One Shake, Tapout XT Protein Powder, and others. x x x

"16. Opposer created and maintains an online store, at http://shop.tapout.com/, where consumers from all over the world may browse through and purchase TAPOUT-branded clothing, apparel, accessories, and training gear, among others. TAPOUT products are also available through the website/online store Amazon. x x x

"17. Opposer is the owner of the internationally well-known trademark TAPOUT, which was registered with the IPPHL on April 08, 2010, covering goods under Class 25, with Registration No. 4-2009-002540. x x x As such registered trademark, it is entitled to protection in the Philippines against unauthorized use or expropriation by third parties.

"B. Respondent-Applicant's mark TAPA OUT is confusingly similar to Opposer's internationally well-known TAPOUT trademark.

"18. A comparison of the competing marks will show that Respondent-Applicant's TAPA OUT mark bears a striking similarity to Opposer's registered and internationally well-known mark TAPOUT. In fact, Respondent-Applicant's mark is composed of the entirety of Opposer's mark TAPOUT, only with

addition of the letter "A" in between the elements "TAP" and "OUT". Needless to say, because of the almost identicalness of their literal elements, TAPA OUT is also aurally similar to the word TAPOUT. This similarity in spelling and in the literal elements of the marks TAPOUT and TAPA OUT render them confusingly similar not only in appearance but also in sound.

"19. Furthermore, a perusal of Opposer's TAPOUT trademark as it actually appears on Opposer's products, labels and packaging show that Respondent-Applicant has clearly intended to copy or appropriate the specific design of Opposer's mark. x x x

A simple comparison of the above marks leaves no doubt that the Respondent-Applicant has intentionally and blatantly copied not only the overall appearance of the Opposer's mark but also its specific design elements, such as the font used, and the proportion of the letters in relation to each other, among others.

"20. The confusing similarity between Respondent-Applicant's TAPA OUT and Opposer's well-known TAPOUT is highly likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods to which it is affixed. Furthermore, the unauthorized use by others of a trademark similar to Opposer's TAPOUT will certainly dilute the distinctiveness of the latter, and adversely affect the function of said trademarks as an indicator of origin, and/or the quality of the product.

"C. Being confusingly similar, the registration of Respondent-Applicant's mark TAPA OUT should not be allowed, since Opposer's TAPOUT trademark is registered in the Philippines.

"21. Section 123.1 (d) (iii) of the IP Code is clear in prohibiting the registration of trademarks that nearly resemble an already registered mark or a mark with an earlier filing or priority date if it nearly resembles such a mark as to be likely to deceive or cause confusion, to wit: x x x

x x x

"23. Granted, Respondent-Applicant's application for the mark TAPA OUT covers goods in Classes 32 and 43. However, it has long been held that there can be unfair competition or unfair trading even if the goods are non-competing. x x x

"24. Ergo, even though Opposer's goods under Class 25 are non-competing with Respondent-Applicant's bottled waters or take-out meals, to allow the latter to use the mark TAPOUT for goods and services under Classes 32 and 43 would nevertheless result in unfair trading, as it would prevent the natural expansion of Opposer's business but will also have Opposer's business confused with and put at the mercy of Respondent-Applicant's.

"D. Opposer's TAPOUT trademark and its variations are internationally well-known.

"25. Opposer owns several registrations and applications for the registration of

the mark TAPOUT and its variations in several countries worldwide.
x x x

"27. In order to reach more consumers globally and to better provide information about itself and its products, Opposer maintains an official website at http://www.tapout.com. Opposer also maintains the following websites for each of its TAPOUT-branded line of products x x x

"28. Quite remarkable is the presence of Opposer's mark TAPOUT online and in various social networks. Apart from its official websites, Opposer also maintains accounts on various social media platforms such as Twitter, Facebook, YouTube, Flickr, and Pinterest, for the purpose of advertising and disseminating news and information about its various TAPOUT-branded products.

"29. Opposer has spent a considerable amount of money in advertising and promotion of its TAPOUT products. The total expenses incurred by the Opposer for worldwide advertising and promotion of the products bearing the mark TAPOUT and its variations for the last three (3) years are as follows: x x x

"E. Since Opposer's trademark TAPOUT and its variations are internationally well-known, they are entitled to protection against confusingly similar marks.

"31. x x x some of the Opposer's foreign registrations for the mark TAPOUT cover the following goods and services under Classes 32 and 43, among others:

CLASS	GOODS AND SERVICES
32	Non-alcoholic beverages, energy drinks, fruit beverages, soda pop, carbonated beverages, drinking water, flavoured and bottled drinking water; syrups and other preparations for making beverages.
43	Services for the provision of food and drink; restaurant and bar services; temporary accommodation.

"32. Respondent-Applicant's application for the registration of the mark TAPOUT also covers goods and services falling under Class 32 and 43. In fact, these goods are identical to those covered by Opposer's foreign registrations for the mark TAPOUT, as can clearly be seen from a comparison of each parties' respective goods below: x x x

"33. The confusing similarity between Opposer's own trademark TAPOUT and Respondent-Applicant's mark, coupled with the fact that the latter is intended to be used on goods identical to Opposer's products, further increases the likelihood of confusion in the minds of the public as to the origin of Respondent-Applicant's goods.

"34. Opposer's TAPOUT trademark and its variations are internationally well-known, having met the criteria under Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Tradenames, and Marked or Stamped Containers. x x x

"35. As internationally well-known marks, Opposer's TAPOUT marks are

further protected under Article 6bis of the Paris Convention, which provides: x x x

"36. The confusing similarity of Respondent-Applicant's mark with Opposer's own well-known TAPOUT trademarks can only lead to the conclusion that Respondent-Applicant intends to ride on the popularity of Opposer, thereby causing Opposer to incur monetary losses, and suffer the dilution of its trademarks.

"37. Opposer will be damaged by the registration of the mark TAPA OUT, considering that Opposer's well-known trademarks have already obtained goodwill and consumer recognition throughout the world. For what other purpose would the Respondent-Applicant choose to use a mark with an overall appearance and design so closely resembling that of Opposer's TAPOUT trademark to identify his goods which are identical or closely related to Opposer's own products? x x x

"38. Thus, Respondent-Applicant's application to register the mark TAPA OUT must be denied in accordance with Secs. 123.1 (d), (e), (f) and (g) of the IP Code, which provide: x x x

"39. The registration of the mark TAPA OUT in the name of the Respondent-Applicant will violate the exclusive proprietary rights of the Opposer over its own marks and irreparably injure or damage the interest, business reputation and goodwill of said marks.

"40. Clearly, the registration of Respondent-Applicant's mark, which is identical to Opposer's own TAPOUT marks will not only prejudice the Opposer but will also allow the Respondent-Applicant to unfairly benefit from and get a free ride on the goodwill of Opposer's well-known marks.

"F. The word TAPOUT forms part of the corporate name of Opposer, and as such, is protected under Article 6sexies and Article 8 of the Paris Convention.

"41. Opposer would like to point out that the dominant and essential feature of its corporate name, ABG TAPOUT LLC is the word "TAPOUT". Opposer's corporate name is protected under the Paris Convention and the Philippine Trade Name Law without need of registration. The Philippines and the USA are both members-signatory to the Paris Convention.

x x x

"43. The law recognizes and protects the ownership or possession of a mark or trade name in the same manner and to the same extent as other property rights known to the law.

"44. The registration of a confusingly similar mark by another proprietor such as Respondent-Applicant will cause grave and irreparable injury to the TAPOUT trademark and trade name, dilute said trademark, and give rise t confusion in the mind of the public, and create the utterly false impression that Opposer and Respondent-Applicant are affiliated or related entities."

The Opposer's evidence consists of the original duly authenticated and notarized Special Power of Attorney *(Exhibits "A" to "A-4");* original duly authenticated Affidavit-Direct Testimony of Mr. Kevin Clarke and its annexes (*Exhibits "B" to "B-69");* and the Affidavit-Direct Testimony executed by Atty. Chrissie Ann L. Barredo and its annexes *(Exhibits "C" to "C-77").*

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 21 January 2014. Then after, the Respondent-Applicant requested and was granted an extension of thirty (30) days or until 22 March 2014 within which to file the Verified Answer. The Respondent-Applicant, however, did not file his Verified Answer. Thus, this Bureau issued Order No. 2014-684 dated 28 May 2014 declaring the Respondent-Applicant in default and submitting the case for decision on the basis of the opposition, affidavit of witness and documentary or object evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the trademark TAPA OUT?

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] Thus, Section 123.1 (d) of R. A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") 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, in respect of 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.

In this regard, the records and evidence show that at the time the Respondent-Applicant filed his trademark application on 01 October 2012, the Opposer has already been issued a Philippine Certificate of Registration (No. 4-2009-002540) on 08 April 2010 for the trademark TAPOUT.

But do the marks, as shown below, resemble each other that confusion, or even deception, is likely to occur?

TAPOUT

TapouT Vintage

Opposer's Marks

Respondent-Applicant's Mark

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

A comparison of the competing marks shows a striking similarity between the Opposer's and Respondent-Applicant's marks in terms of appearance and sound. In this regard, this Bureau quotes with favor the Opposer's allegation, to wit:

> "In fact, Respondent-Applicant's mark is composed of the entirety of Opposer's mark TAPOUT, only with the addition of the letter "A" in between the elements "TAP" and "OUT". Needless to say, because of the almost identicalness of their literal elements, TAPA OUT is also aurally similar to the word TAPOUT. This similarity in spelling and in the literal elements of the marks TAPOUT and TAPA OUT render them confusingly similar not only in appearance, but also in sound."[5]

In the case of *Societe Des Produits Nestle S. A. v. Court of Appeals*[6], the Supreme Court ruled that confusion cannot be avoided by merely dropping, adding or changing some of the letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other. Also, it will be noted that in determining the issue of confusingly similarity, the court has also taken into account the aural effects of the words and letters contained in the mark.[7]

While it may be argued that the goods carried by the competing marks are not closely related in that Opposer's mark is registered under Class 25, namely, *"footwear, namely, sandals, shoes, and sports shoes; clothing for men, women and children, namely, shirts, t-shirts, jerseys, tank tops, shorts, pants, sweatpants, sweatshirts, jackets, swimsuits, sleepwear, underwear, briefs, thongs, g-strings, wristbands, belts, gloves, hosiery and socks; headgear, namely, hats, caps, beanies and skull caps"* while the Respondent-Applicant's is for use on *"bottled water; take out meals"*under Classes 32 and 43, the same is not sufficient to negate the possibility of confusion. A perusal of the evidence submitted by the Opposer shows that it has been issued a Certificate of Registration for the mark TAPOUT for goods under Classes 32[8] and 43[9] in foreign jurisdictions. The registration of the Respondent-Applicant's mark would therefore create the possibility that it originated or is associated with the Opposer's when in fact it is not. The Supreme Court in *Converse Rubber Corporation v. Universal Rubber Products, Inc. et. al.*[10] has ruled that the likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof, to wit:

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

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5 Page 8, paragraph 18 of the Verified Notice of Opposition.
6 G. R. No. 112012, April 4, 2001.
7 *Prosource International Inc. v. Horphag Research Management S. A.*, G. R. No. 180073, 25 November 2009.
8 Exhibit "B-63".
9 Exhibit "C-59".
10 G.R. No. L-27906, 08 Jan. 1987

not exist.

Also, since the Opposer owns trademark registrations in foreign countries for TAPOUT for goods under classes 32 and 43, to allow the registration of a confusingly similar mark as the Respondent-Applicant's would forestall the normal potential expansion of Opposer's business. Time and again, it has been ruled that the scope of protection afforded to registered trademark owners is not limited to protection from infringers with identical goods. The scope of protection extends to protection from infringers with related goods, and to market areas that are the normal expansion of business of the registered trademark owners. Thus, the Court declared in the case of *Societe Des Produits Nestle, S. A. v. Dy*[11] that:

> 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 sq; 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).

Anent the Opposer's claim that the trademark TAPOUT and its variations are internationally well-known, Rule 109 of the Rules and Regulations on Trademarks, Service Marks, Tradenames, and Marked or Stamped Containers laid the criteria for determining whether a mark is well-known. The pieces of evidence submitted by the Opposer, however, failed to satisfy a combination of the criteria enumerated in the rules. For one, the Opposer failed to show the record of successful protection of the rights in the mark and the outcome of litigations dealing with the issue of whether the mark TAPOUT and its variations are well-known marks.

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2012-012081 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 02 March 2015.

Atty. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs

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11 G. R. No. 172276, August 09, 2010.