

ACCO WORLD CORP.,  
Opposer,  
  
-versus-

Inter Partes Case No. 3262  
Opposition:  
Appl. Ser. No. : 60240  
Date Filed : 24 October 1986  
Trademark : "ARCO"

CHOA BENG,  
Respondent-Applicant

Decision No. 2004 -09

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## DECISION

This is an Opposition to the trademark application No. 60240 for the trademark "ARCO" filed by Choa Beng for the goods: staple remover, fastener, folders, gummed reinforcement, envelope, stationery used in office, school and in personal writing, ring binder, and gummed typewriter labels under class 16. The said trademark application was published for opposition on page 84 of the Official Gazette No.7, Vol. I and was officially released for circulation on September 27, 1988.

Opposer, ACCO WORLD CORPORATION is a corporation organized and existing under the laws of the United States of America, with business address at 2215 Sanders Road, Tristale Center, Northbrook, U.S.A., while Respondent- Applicant, CHOA BENG is a Filipino citizen residing in Manila, Philippines.

The records of this case reveal that on October 24, 1986, Respondent-Applicant filed an application for the registration of the trademark "ARCO" to be used on his product, namely: staple, staple remover, fastener, folders, gummed reinforcement, envelope, stationery used in office, school and in personal writing, ring binder, and gummed typewriter labels under class 16 and was assigned with Serial No. 60240. Record also shows that the said application was for the re- registration of the trademark "ARCO" which was previously registered under Reg. No. 38365 issued on September 4, 1980 but was cancelled for failure to file affidavit of use as required by Republic Act 166, as amended.

Believing that it will be damaged by the registration of the trademark "ARCO", Opposer filed a Motion on October 27, 1988 with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) praying for an extension of time to file its opposition, which this Office granted. On November 28, 1988, Opposer filed its verified Notice of Opposition based on the following grounds:

- "1. The mark "ARCO" under Serial No. 60240 of Respondent-Applicant is confusingly similar with the trademark "ACCO" of Opposer, which Opposer owns and has not abandoned; duly registered in the Philippine Trademark Office and which issued on July 21, 1986 under Registration No. 12397 which was renewed effective July 21, 1986 for goods under Class 16;
- "2. The Opposer will be damaged and prejudiced by the registration of the mark "ARCO" in the name of Respondent-Applicant, and its business reputation and goodwill will suffer great and irreparable injury;
- "3. Respondent-Applicant's use of the mark "ARCO" for staple remover, fastener, folder, gummed/reinforcement, envelope, stationery refers to paper used in office, school and in personal writing ; ring binder, gummed typewriter labels which mark so resembles/identical with the trademark owned and used by Opposer, constitutes an unlawful appropriation of a trademark owned and currently used by Opposer;

Opposer relied on the following facts to support the opposition reserving its right to present other evidence to prove these facts and others as may appear necessary or expedient in

the court of the proceedings:

- "1. The trademark "ARCO" of Respondent-Applicant is confusingly similar to Opposer's trademark "ACCO" as to be likely, when applied to the goods or when used in connection with the goods of Respondent-Applicant, to cause confusion or mistake or to deceive purchasers as to the source or origin of the goods/products of Respondent-Applicant to such an extent that they may be mistaken by the unwary public as related to the products manufactured and sold by Opposer;
- "2. Opposer's trademark "ACCO" is well-known throughout the world and in the Philippines and said mark has become distinctive of Opposer's goods and business;
- "3. Opposer's mark "ACCO" has long been established and goodwill as belonging to one owner or origin, the Opposer herein.

In reply thereto, the Respondent-Applicant filed his Answer on January 31 1989 denying all the material allegations and stated the following defenses:

- "7. Opposer failed to allege its capacity to sue or to even state that it is in a situation governed by any of the following laws/ jurisprudence : Section 33 of the Corporation Code : Rule 1, Section 1g of the Omnibus Investments Code ; Section 21-A of Republic Act No . 166; Leviton Industries vs. Salvador ( G.R. No. L-40163, June 19, 1982, 41 SCRA 50); or Le Chemise Lacoste vs. Fernandez (G.R. No. L-67396-97, May 21, 1984, 129 SCRA 373, 382-383).
- "8. Assuming to be true, Opposer's registration of its trademark "ACCO" was violative of Section 38 and/or Section 41 of the Rules of Practice in Trademark Cases in conjunction with Patent Office Administrative Order No. 22, and Republic Act No. 166, Section 2 as amended by Republic Act No. 865, Section 1.
- "9. No confusing similarity exists between the two marks in question there being complete, visible and obvious difference in spelling, phonetics, meaning, significance and the manner of use between them.
- "10. The Opposition is also defective as it is violative of Section 188 of the Rules of Practice in Trademark cases for it is not accompanied by four labels showing the mark as actually used by the Opposer.
- "11. Moreover to sustain Opposer in this case is to uphold the interests of a foreign multinational company over that of a fledgling Filipino company as herein respondent-applicant. It has been pointed out that the country is now in desperate situation with regard to patents, trademarks and copyrights where at least NINETY-FOUR PERCENT (94%) of interests here in the Philippines are controlled by foreign entities, particularly the multinational corporations (SALONGA, PRIVATE INTERNATIONAL LAW 397, 1981 ed.). This present suit is just an example of the predatory practice of these giant conglomerates which oftentimes are successful due to their influence and financial power. We may as well be reminded that under the new constitution, declared as state policies are:

"Sec.7. The State shall pursue an independent foreign policy. In its relations with other states the PARAMOUNT CONSIDERATION shall be national sovereignty, territorial integrity, NATIONAL INTEREST, and the right to self determination.

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Sec.19. The State shall develop a self-reliant and independent national economy EFFECTIVELY CONTROLLED BY FILIPINOS.

Sec.20. The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides to needed investments. (Article II, emphasis added)

- "12. The Philippine economy is an oft violated victim of piratical economies of the dominant capitalist systems. A study by Lichauco (LICHAUCO, The Lichauco Paper: Imperialism in the Philippines, MONTHLY REVIEW PRESS 25, yr. 1973) shows that the entire experience of Philippine economy is pone process of wealth extraction by foreign business interests. Attributed as a reason is that local economy was streamlined by the policy of "open economy" which placed minimal restrictions on trade and capital transactions, and of giving foreign entities the privilege of a "national treatment" (ibid).
- "13. It is of public knowledge that Opposer is not even operating here in the Philippines. As such, the country does not benefit from its terms of any local investments of resources, generation of jobs or transfer of technology.
- "14. This Honorable Office is a State agency bound by duty to uphold the interest of the Filipino above anyone else.
- "15. Lastly Respondent-Applicant's trademark "ARCO" had already been previously registered in the principal register and its application was similarly opposed by the same Opposer on the same ground. But the opposition and application for registration was given due course although it was cancelled due to the clerical negligence of not renewing the same. Respondent-Applicant has never abandoned the use of the same since its first use on December 1, 1974."

During the trial, Opposer presented and offered more than one hundred (100) certificates of registration of its mark "ACCO" worldwide. The said certificates of registration were notarized and authenticated by Mr. Mark S. Lyon, a notary public for and in the City of Old Greenwich, Connecticut. However, Respondent objected to the admissibility of the said certificates of registration on the ground that they are merely photocopies.

Opposer raised the following issues:

- a) Whether the mark ARCO of respondent-applicant is confusingly similar to Opposer's well known mark ACCO, as to be likely, when applied to the goods or when used in connection with the goods of respondent-applicant, to cause confusion or mistake or to deceive purchasers as to the source or origin of these goods;
- b) Whether the mark ACCO is well-known internationally;
- c) Whether the previous registration for ARCO which lapsed bar this instant case for opposition.

Records of the case show that on July 21, 1966, Opposer was issued Trademark Registration no. 12397 with a date of first use in the Philippines on November 11, 1956 for the goods: punchers, clamps for binding and holding papers together, paper fasteners and fastener bases for binding papers together, loose-leaf binders with and without fasteners, notebooks, post binders, file folders with and without fasteners, file folders with and without index tabs, clamp fasteners, ring binders and covers for loose-leaf binders.

On March 19, 1975, Respondent-Applicant filed Application No. 27234 for the registration

of the trademark "ARCO" for staple remover, fastener, folder, gummed reinforcement, envelope, stationery and ring binder and alleged a date of first use in commerce on December 1, 1974. (Respondent-Applicant's Exhibits 2 and 2-C)

Records further show that on March 13, 1978, Opposer filed a Notice of Opposition on the said application under Inter Partes Case No. 1130. (Respondent-Applicant's Exhibits 3, 3-A, 3-B, 3-C, 4, 4-A) However, during the pendency of the case, the Opposer abandoned its opposition hence, Respondent-Applicant's application no. 27234 was given due course. (Decision No. 159 on Inter Partes Case 1130 dated January 23, 1980)

On September 4, 1980, Respondent-Applicant was issued Certificate of Trademark Registration No. 38365 however, the same was subsequently cancelled for failure to file the affidavit of use for the 5<sup>th</sup> anniversary required under Sec 12 of Republic Act 166, as amended (Respondent-Applicant's Exhibit 5).

On October 24, 1986 Respondent-Applicant filed the subject application for the re-registration of the trademark "ARCO" for use on the same goods in its previous registration, alleging that its failure was due to clerical mistake and negligence. The new application was thereafter allowed for publication, hence the instant opposition.

First, we have to answer the legal query whether the previous registration, for the mark "ARCO" which was cancelled for failure to file the affidavit of use for the 5th anniversary bars this instant opposition. There is nothing in the law which says that a previous trademark registration which was cancelled for failure to file the affidavit of use for the 5th anniversary will bar any opposition for its re-registration. A re-registration of a mark is treated as a new application. Like any other trademark application, it is subject to search, examination, publication and opposition before the issuance of a certificate of registration. A re-registration of a previously registered mark is only given a priority examination if prayed for and after payment of the required fees. Having said this, let us now move on to the more substantial issues raised in this instant opposition.

Section 4(d) of R.A. 166, as amended, provides as follows:

*"Sec. 4. Registration of trademark, trade names and service marks on the principal register. There is hereby established a register of trademarks, trade names and service marks which shall be known as the principal register. The owner of the trademark, tradename and service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:*

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*"(d) Consist or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers."*

which the Supreme Court in the case of Philippine Refining Co. Inc. vs. Ng Sam (115 SCRA 476) interpreted to mean:

"Such restricted right over a trademark is likewise reflected in our Trademark Law. Under Section 4(d) of the law, registration of a trademark which so resembles another already registered or in use should be denied, where to allow such registration could likely result in confusion, mistake or deception to the consumers. Conversely, where no confusion is likely to arise, as in this case, registration of a similar

or even identical mark may be allowed."

From the foregoing, it is clear that the law allows the registration of a mark which is similar or identical to another mark already registered provided no confusion will arise. Hence, the determining factor is whether the use of the competing marks in connection with the goods or business will likely cause confusion.

"In ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set rules can be deduced. Each case must be decided on its own merits. In *Esso Standard, Inc. v. Court of Appeals*, the Supreme Court ruled that the likelihood of confusion is a relative concept; to be determined only according to the particular, and sometimes peculiar, circumstances of each case." (*Societe Des Produits Nestle, S.A. vs. Court of Appeals*, G .R. No. 112012, April 4, 2001)

Likewise as cited in *Emerald Garments vs. Court of Appeals* (251 SCRA 614), it has been observed that:

"In determining whether a particular name or mark is a "colorable imitation" of another, no all-embracing rule seems possible in view of the great number of factors which must necessarily be considered in resolving this question of fact, such as the class of product or business to which the article belongs ; the product's quality, quantity, or size including its wrapper or container; the dominant color, style, size, form, meaning of letters, words, designs and emblems used ; the nature of the package, wrapper or container, the character of the product's purchasers; location of the business; the likelihood of deception or the mark or name's tendency to confuse; etc."

Simply put, there is no mechanical test for determining likelihood of confusion. Although the issue of likelihood of confusion typically revolves around the similarity and dissimilarity of the marks and the relatedness of the goods or services, other factors may be considered if relevant evidence are put on record. But still the main question to be determined is not whether the actual goods are likely to be confused but, rather, whether there is a likelihood of confusion as to the source of the goods because of the marks used thereon.

Applying the foregoing tenets to the present controversy and taking into account the factual circumstances of this case, this Office finds that Opposer's "ACCO" is not confusingly similar to Respondent-Applicant's "ARCO".

There is no difficulty in arriving at a conclusion that the goods of the two parties connected with their respective trademarks are related to each other. The goods covered by the competing trademarks are similar. The Respondent-Applicant goods sought to be covered by the mark "ARCO" as enumerated in its trademark application are: staple remover, fastener, folders, gummed reinforcement, envelope, stationery used in office, school and in personal writing, ring binder, and gummed typewriter labels under class 16, while Opposer's goods covered by its registered mark "ACCO" as enumerated in its trademark Registration No. 12397 are: punches and clamps for binding and holding papers together; paper fasteners and fastener bases for binding papers together, looseleaf binders with and without fasteners, notebooks, post binders, file folders with and without fasteners, file folders with and without index tabs, clamp fasteners, ring binders and covers for loose-leaf binders.

From the goods alone of the competing parties covered by the competing marks, it is clearly shown that they fall under the same classification, CLASS 16. They serve the same purpose and flow through the same channel of trade, hence, they are competing and can be considered as RELATED GOODS.

However, this finding of relatedness between the parties' goods is not sufficient to establish likelihood of confusion. As previously intimated, the question to be determined is not whether the actual goods are likely to be confused but, rather, whether there is a likelihood of

confusion as to the source of the goods because of the marks used thereon.

The marks ACCO and ARCO, when viewed in their entireties, have a number of similarities in spelling. Both marks are composed of four letters of two syllables each and each syllable has the same vowel. The only difference lies in the letter "C" in ACCO and "R" in ARCO. However, the two marks have dissimilarities in sound. Though both marks consist of two syllables, with the same cadence when spoken, they do not have the same initial and concluding sounds. Moreover, both marks are whimsical and capricious coined marks with no known meaning or connotation.

Having considered all the evidence on record, we find that the dissimilarities in sound and meaning between ACCO and ARCO outweigh the similarity in general, form and spelling, such that the overall commercial, impression conveyed by the two marks when applied to the respective parties goods or services suggest no likelihood of confusion.

As to the nature of the goods, the goods involved in the instant controversy are office supplies. These goods are not basic goods. The main consideration of purchasers in choosing certain office supplies is not on the brand but more on the price and if it will serve its purpose. This is so because office supplies are considered expense so that consumers put more consideration on the price and if the product will serve its purpose. There might be brand conscious office supply buyers and these are the more sophisticated buyers, which really inspect the product before buying. This kind of consumers usually do its own shopping and rarely ask others to buy for them. In this case, the likelihood of confusion becomes more remote since trademarks or brand are less of a consideration but more on the price and purpose it may serve.

Opposer, ACCO World Corp. likewise claims entitlement for protection of its registered trademark under the Convention of Paris for the Protection of Industrial Property, specifically Art. 6bis. To support its claim that its trademark "ACCO" had attained the status of a well-known mark, Opposer stated that it has worldwide trademark registrations for the mark "ACCO" which total almost fifty (50) speak well of the extent of international protection and recognition that the mark ACCO enjoys (Opposer's Memorandum, page 36). Likewise, it submitted in evidence its worldwide registration where the trademark "ACCO" is registered (Exhibits "2-A" to "2-DDDD") to prove the worldwide notoriety of the mark internationally which therefore entitles the mark "ACCO" to protection under Art. 6bis of the Paris Convention as a well-known mark.

This Office is not convinced that mere worldwide registration will automatically vest a mark of a well-known status. Opposer failed to submit eloquent proof to prove that the mark has gained and enjoys a worldwide reputation not only internationally but also in the Philippines. Absence of such fame and reputation in the Philippines, a mark is not considered well-known.

This twin requirement of international and domestic fame to enjoy the protection available to well-known marks which is now enshrined in Sec. 123(e) of R.A. 8293, the very same provision invoked by the Opposer to claim its entitlement for protection for its registered mark, which provides:

"Sec. 123. Registrability. - 123. 1 a mark cannot be registered if it:

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(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 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. (underscoring ours)

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Based on the above provision, it is clear that before a mark can gain a well-known status in the Philippines, it must first establish its fame and popularity in the Philippines. In the instant case, Opposer failed to adduce evidence to prove its fame, popularity and goodwill in the Philippines, neither convinced this Office of its international fame and popularity.

Moreover, for the reasons previously discussed, this Office finds no confusing similarity between Opposer's trademark ACCO and Respondent-Applicant's trademark ARCO. For this reason this Office is of the opinion that Opposer's mark is not entitled to protection under the Paris Convention, more particularly under Article 6bis thereof:

Finally, it is worthwhile to note that the Respondent-Applicant in this instant case has a previous registration for the mark "ARCO" used on the same goods (Registration No. 38365 issued on September 4, 1980), after the same Opposer in this instant case has abandoned its opposition to the mark ARCO (Respondent-Applicant's Exhibits 3, 3-A, 3-B, 3-C, 4, 4-A and Decision No. 159 dated January 23, 1980 on IPC 1130) and that Opposer had likewise an existing registration for the trademark ACCO used on the same goods under Registration No. 12397 issued on July 21, 1966. Therefore, Opposer's ACCO and ARCO of Respondent-Applicant had co-existed since then. This is significant because in a situation where Respondent-Applicant's mark and the Opposer's mark have co-existed for several years and where the Opposer has abandoned its attempt to challenge the registrability of the Respondent-Applicant's mark, such circumstance strongly suggests that a likelihood of confusion between the two marks did not exist.

In view of the foregoing reasons, this Office finds that the relevant public are unlikely to confuse "ACCO" with "ARCO".

IN VIEW THEREOF, the Opposition to the registration of the trademark "ARCO" is hereby DENIED. Accordingly, trademark application Serial No. 60240 for the trademark "ARCO" used on staple remover, fastener, folders, gummed reinforcement, envelope, stationery used in office, school and in personal writing, ring binder and gummed typewriter labels under class 16 filed on 24 October 1986 in the name of CHOA BENG is hereby GIVEN DUE COURSE.

Let the file wrapper of ARCO subject matter of this case be forwarded to the Administrative, Financial, and Human Resource Development Services Bureau (AFHRDSB) for appropriate action in accordance with this Decision, with a copy thereof to be furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 12 April 2004

ESTRELLITA BELTRAN-ABELARDO  
Director  
Bureau of Legal Affairs

