

ACCO WORLD CORPORATION
Opposer

-versus-

CHARLES J. ESTEBAN
Respondent-Applicant. }

IPC NO. 14-2004-00046

Opposition to:
Application No. 4-1999-009528
Filed: 09 December 1999
Applicant: Charles J. Esteban

Trademark: LACO
Goods: Stapler machine,
Staple wire in Class 16

Decision No. 2006-07

x-----x

DECISION

On 16 April 2004, Opposer ACCO WORLD CORPORATION (Opposer), a corporation organized under the laws of the State of Delaware, USA, with address at 300 Tower Parkway, Lincolnshire, Illinois, U.S.A. filed a NOTICE OF OPPOSITION to the application for registration of the trademark LACO for stapler machine and staple wire filed by Respondent-Applicant CHARLES J. ESTEBAN (Respondent) on December 1999.

In its opposition, Opposer alleges that it would be damaged by such registration and claims the following:

“1. Opposer is the owner o the internationally well-known mark ACCO which is applied for registration in the Philippines under Application No. 4-2000-00135 ‘for office supplies and office machines; paper fastener bases for building papers together, loose-leaf binders with and without fasteners, notebooks, post binders, file holders with and without fasteners, file folder with and without index tabs, clamp fasteners, clip files and ring binders and covers for loose-leaf binders’ in International Class 16.

2. Applicant’s trademark LACO so resembles Opposer’s trademark ACCO, as to be likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Applicant’s goods either come from Opposer or are sponsored or licensed by it.

3. The registration and use by Applicant of the trademark LACO will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark ACCO, which is an arbitrary trademark when applied on Opposer’s products.

4. Applicant adopted the trademark LACO on its own goods with the obvious intention of misleading the public into believing that its goods bearing said trademark originate from or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the source of goods bearing the trademark ACCO.

5. Opposer has used the trademark ACCO since 1919, long before Applicant adopted the trademark LACO.

6. Applicant’s appropriation and use of the trademark LACO infringe upon Opposer’s exclusive right to use the internationally well-known trademark ACCO, which is protected under the IP Code and Articles 6bis and of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and the United States of America adhere. The registration of the trademark LACO in the name of the Applicant is therefore in contrary to the treaty obligations of the Philippines.

7. Under Section 123.1 (e) of the IP Code, a mark cannot be registered if it 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. The registration of the trademark LACO in the name of the Applicant is therefore contrary to the provisions of the IP Code and the treaty obligations of the Philippines.”

This Office issued a NOTICE TO ANSWER dated 21 April 2004 requiring the Respondent to file an answer within fifteen (15) days after receipt of the notice and furnish this Office with proof of service in accordance with the provisions of the Rules of Court.

On 06 September 2004, Opposer filed a MOTION TO DECLARE RESPONDENT IN DEFAULT AND TO PRESENT EVIDENCE EX PARTE. In its Order No. 2004-556, this Office granted the motion of the Opposer and declared Respondent in default. The hearing of the case for the presentation of evidence ex parte by the Opposer was set on 28 September 2004 at 2:00 p.m.

On 01 June 2005, Opposer completed its formal offer of evidence (ex parte) and requested that it be allowed to file its Memorandum not later than 19 July 2005. On 19 July 2005, Opposer submitted its MEMORANDUM dated 18 July 2005.

The main issue to be resolved in this case is whether or not the application for registration of the trademark LACO for stapler machine and staple wire should be granted.

Opposer maintains that its mark is well-known internationally and in the Philippines and that the trademark LACO is confusingly similar to its trademark, house mark and trade name ACCO. Opposer alleges that considering the evidence presented by Opposer, in addition to the unrebutted facts that Opposer has been using its mark ACCO (i) in the United States of America since approximately 1910; (ii) as the dominant part of its trade name and corporate name since approximately 1922; (iii) internationally through the global distribution of its products under the ACCO name since 1924; and (iv) in the Philippines since as early as 1985; there can be no other conclusion except that Opposer’s mark is well-known internationally and in the Philippines. Opposer also contends that the mark LACO is visually and aurally similar to Opposer’s trademark house mark and trade name ACCO, as to be likely, when applied to or used in connection with the goods of Respondent, to cause confusion, mistake and deception.

This Office finds the opposition meritorious.

Section 123.1 (e) of the Intellectual Property Code of the Philippines (IP Code) states that:

Sec. 123. Registrability. - 123.1 A mark cannot be registered if it:

x x x

(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 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;”

Rule 102 of the Trademark Regulations provides that:

“RULE 102. *Criteria for determining whether a mark is well-known.* – In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired by the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered by the mark;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.”

In this case, Opposer presented substantial evidence to prove that the mark ACCO is internationally well-known. Opposer presented and offered as evidence copies of certificates of registration and trademark applications for the mark ACCO in various countries proving the global extent and geographical area covered by the use of the mark ACCO. Opposer also presented articles from newspapers, magazines and printed publications to prove the actual commercial use of the trademark ACCO worldwide, the goodwill ACCO brands have generated and that ACCO is internationally well-known. With these pieces of evidence that were not contradicted, this Office is constrained to uphold the claim that ACCO is internationally well-known. Accordingly, any application for registration of a mark confusingly similar to the mark ACCO and used for similar or identical goods cannot be registered.

Moreover, it is also important to note that Opposer has a pending trademark application of ACCO in the Philippines for office supplied and office machines belonging to Class 16 further proving its continuing commercial use of the mark ACCO here in the Philippines.

A mark seeks to distinguish the goods of an enterprise. 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. To allow Respondent to register LLACO for stapler machine and staple wire would defeat the very rationale of having a trademark registration. Such registration would create a likelihood of confusion between the mark LACO and the internationally well-known mark ACCO being used for similar or identical goods.

As correctly pointed out by the Opposer in its Memorandum:

“The Court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et.al.*, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, Unfair Competition and Trade Marks, 1947, Vol. 1, will reinforce our view that 'SALONPAS' and 'LIONPAS' are confusingly similar in sound: 'Gold Dust' and 'Gold Drop'; 'Jantzen' and "Jass-Sea"; 'Silver Flash' and 'Super Flash'; 'Cascarete' and 'Celborite'; 'Celluloid' and 'Cellonite'; 'Chartreuse' and 'Charseurs'; 'Cutex' and 'Cuticlean'; 'Hebe' and 'Meje'; 'Kotex' and 'Femetex'; 'Zuso' and 'Hoo-Hoo'. Leon Amdur, in his book "Trade-Mark Law and Practice", pp. 419-421, cites, as coming within the purview of the idem sonans rule, 'Yusea' and 'U-C-A', 'Steinway Pianos' and 'Steinberg Pianos', and 'Seven-Up' and 'Lemon-Up'. In *Co Tiong vs. Director of Patents*, this Court unequivocally said that 'Celdura' and 'Cordura' are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name 'Lusolin' is an infringement of the trademark 'Sapolin', as the sound of the two names is almost the same."

When the two marks LACO and ACCO are pronounced, the sound effects are confusingly similar. Both marks also contain four letters, three letters of which are similar (A., C and O). Given the limitless choices of Respondent within which to name its products, these facts would support Opposer's claim that the choice of the mark LACO was "to trade upon such established goodwill and renown" of the mark ACCO.

Accordingly, Opposer has proven by substantial evidence that its mark ACCO being used for office machines and office supplies is internationally well-known and that Respondent's mark LACO for stapler machine and staple wire is confusingly similar to the mark ACCO.

WHEREFORE, the opposition for the registration of the mark LCAO for stapler machine and staple wire is, as it is hereby, SUSTAINED. Accordingly, Application No. 4-1999-009528 filed by the Respondent is hereby REJECTED.

Let the file wrapper of the mark LACO subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Services Bureau for appropriate action in accordance with this Decision, with a copy to be furnished the Bureau of Trademarks for its information and the updating of its records.

SO ORDERED.

26 January 2006, Makati City.

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