

investment services including the purchase and sale of real estate and securities in connection with fund management;

3. That the said tradename THE PRUDENTIAL INSURANCE COMPANY OF AMERICA has not been abandoned by opposer and opposer has adopted and used said tradename in the United States since 1975; likewise opposer first used the said tradename in the Philippines in July 1973;

4. That respondent-applicant filed an application for the registration of the trademark PRUDENTIAL PENSION PLA, INC. & LOGO on 14 February 1986 under Application Serial No.58353-A for the following goods: "life, memorial and pension plan business"; said application for registration was published for purposes of opposition on page 46, Vol. I, No. 8 of the Official Gazette of the BPTTT dated 21 October 1988;

5. That registration of PRUDENTIAL LIFE PENSION PLAN, INC. & LOGO will cause great and irreparable injury to the business, reputation and goodwill of opposer and opposer prays for denial of the registration of the said trademark PRUDENTIAL LIFE PENSION PLAN, INC. & LOGO on the following grounds:

a. The trademark sought to be registered by respondent-applicant consists of the dominant word PRUDENTIAL which is evidently similar in sound and appearance to the dominant feature of opposer's tradename and thus, is likely to be confused by the purchasing public as tradename/trademark/servicemark belonging to or associated with the goods, services, business of the opposer; and

b. Both opposer and respondent-applicant are in the same business—insurance—thus, there is the likelihood that confusion and deception will arise as to the source of the goods/services/business concerned.

After a series of motions for extension of time to file its answer, Respondent-Applicant nevertheless failed to file its Answer to the Opposition hence, was declared in default per resolution no. 89-14 dated 09 May 1989.

Respondent-Applicant then filed a motion to lift the order of default on 2 June 1989 and the Opposer filed its opposition thereto in open proceeding on 6 June 1989. In the said hearing, the order of default was lifted and the answer of the Respondent which was belatedly filed was admitted where it denied all the material allegations of the opposition.

The only issue in this case is whether or not the servicemark PRUDENTIAL LIFE PENSION PLAN, INC. & DEVICE maybe registered despite the opposition of Prudential Insurance Co. of America.

To support its Opposition, Opposer offered in evidence to Certificate of Registration M-31391 (Exh. F to F-7) which was issued by this Office on 24 November 1982 covering the trademark The Prudential Insurance Co. of America in favor of the Opposer. The said registration was based on Application Serial No. 36726 filed on 7 November 1978 alleging first date of use in the Philippines on July 1973 covering all forms of insurance protection and services incidental thereto including life, health, annuities pension and profit. It also adduced in evidence Exhibit "L" which is the Certificate of Registration of the trademark Prudential Reinsurance Company for reinsurance business issued by this Office on 17 October 1984.

On the other hand, the Respondent-Applicant waived his right to present its evidence but instead opted to file a memorandum but failed to do so despite the lapse of a considerable length of time.

From the evidence on record, this Office sustains the Opposition filed by Prudential Insurance Company of America. As it is often said, the function of a trademark is to point distinctly, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied (*Arce and Sons vs. Selecta Biscuits*, 1 SCRA 253). Although it is true, as alleged by the Respondent in its Answer, that Prudential appears in any dictionary in the sense that it maybe used or employed by anyone in promoting his business or enterprise; but once adopted or coined in connection with one's business as an emblem, sign or device to characterized its products, it may acquire a secondary meaning as to be exclusively associated with its products and business. In this sense, its use by another may lead to confusion in trade and cause damage to its business. (Please see *Arce Case*, *Supra*)

Although the trademark in question appears to be different in presentation with the Opposer's trademarks, i.e. Prudentialife for the Respondent and Prudential for the Opposer, this Office finds the dominant feature PRUDENTIAL in both marks. The word PRUDENTIAL will easily attract and catch the eye of the ordinary clientele and it is that word and none other that sticks in his mind whenever he thinks of insurance. Even if there is a slight variation in the presentation of both marks, we find it insignificant to call the attention of ordinary customers to distinguish the origin and source of the services covered by the competing marks. As held in the case of *American Wire Cable Inc. vs. Director of Patents*, 31 SCRA 544 the dominant and essential feature of an article is the trademark itself.

From a careful examination of the documents on record the line of services covered by the competing marks are undoubtedly the same if not related and refers to the business of life insurance. The questioned mark is used for pension plans. This is supported by brochures submitted by the Applicant to show proof of use as mandated by the Trademark Law. In the said brochure, it is specifically stated that "Prudentialife Pension" is a plan designed to give financial security by providing a regular monthly income will depend on the type of plan and the total amount contributed.

This is clearly a contract of annuity which is defined in Webster's Third New International Dictionary as (1.) an amount paid yearly or at other regular interest for a certain or uncertain period, and (2.) a contract of agreement under which one or more persons received annuity in return for prior payments made by themselves or another. It is also worthy to reiterate that the business of annuity pension and profits are covered by Opposer's trademark registrations.

In p. 218 of Volume 2 of 1981 Edition of Teodorico Martin's Commentaries and Jurisprudence on the Philippine Commercial Laws we read:

"A contract for annuity is distinguished from insurance in that it is payable yearly during the life of the annuitant rather upon a future contingency."

However, in Section 180 of the Insurance Code, it is provided that every contract or pledge for the payment of endowments for annuity shall be considered a life insurance contract for purposes of this code.

Clearly, the pension plan of the Respondent is nothing but a life insurance under a different nomenclature. The scheme is the same and the benefits and obligations for both the insurer, insured and the beneficiary are also the same. Furthermore, in the said brochure, it becomes more evident that the said pension plan is also a life insurance when it mentioned that:

"You also get the additional benefits of a decreasing term insurance which states that the plan becomes fully paid should death occur before full payment and will entitle your beneficiary to receive full benefits."

Furthermore, Respondent, despite the well-high identity of the mark he was applying for with that of the Opposer who had therefore reason to strongly challenge his right to the mark, took a passive instance. Not only did he fail to present any evidence to establish his right to the mark; he also failed to file a Demurrer to Evidence. The situation demanded that his right to the mark be clearly established. As aptly held by the Supreme Court in the case of *Sterling vs. Farbenfabriken A.G.* p. 1224, 44 SCRA 1226-1227:

“xxx (i)t would seem quite clear that adoption alone of a trademark would not give exclusive right thereto. Such right grows out of their actual use. Adoption is not use. One may make advertisements, issue circulars, give out price lists on certain goods; but this alone would not give exclusive right of use. For trademark is creation of use. Xxx” (Underscoring supplied)

WHEREFORE, premises considered, the Opposition is hereby SUSTAINED and Application Serial No. 58353-A is hereby REJECTED.

Let the filewrapper of this case be forwarded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision. Likewise, let a copy of this Decision be furnished the Trademark Examining Division for information and to update its record.

SO ORDERED.

IGNACIO S. SAPALO
Director