

MAGELLAN CAPITAL MANAGEMENT
CORPORATION,
Opposer,

-versus-

DESTILERIA LIMTUACO & CO., INC.
Respondent-Applicant,

x-----x

Inter Partes Case No. 4208
Opposition to:

Appln. Serial No. 88292
Filed on: September 22, 1993
Trademark: "MAGELLAN"
Goods: wines, liquor

DECISION NO. 98-30

DECISION

MAGELLAN CAPITAL MANAGEMENT CORPORATION (MCMC) here opposes the application for registration of the mark "MAGELLAN" for wine and liquor products in the name of DESTILERIA LIMTUACO & Co., INC. (DLCI).

Opposer Magellan Capital Management Corporation (MCMC) is a domestic corporation with business address at 4th floor, Ortigas Building, Ortigas Avenue, Pasig City, while Respondent-Applicant Destileria Limtuaco & Co., Inc. (DLCI) is also a domestic corporation which can be served with summons and notices through Ms. Olivia Limpe Aw at 1830 EDSA, Quezon City.

On September 22, 1993, Destileria Limtuaco & Co. Inc. (DLCI) filed with the Principal Register an application for registration of the mark MAGELLAN for wines and liquors. Said application was published for Opposition on August 22, 1995 in Volume VIII, No. 3, page 36 of the May-June 1995 issue of the BPTTT Official Gazette. On October 20, 1995, herein Opposer filed an Unverified Notice of Opposition and on December 20, 1995, after its motion for extension of time was granted, Opposer filed a Verified Notice of Opposition.

A Notice to Answer was sent to the respondent-Applicant on January 03, 1996, directing it to file an Answer to the Opposition within fifteen (15) days from receipt of said notice. It appeared that respondent-Applicant received the same on January 08, 1996, but did not file its Answer nor in any way manifested an interest in the case. Thus, it was declared in default upon the Opposer's motion and the Opposer was allowed to present its evidence ex-parte on November 07, 1996.

Records show that the Opposer was duly incorporated and registered as Magellan Capital Management Corporation on April 27, 1990 (Exhibit "B"). It has affiliate companies bearing the subject mark as a part of their corporate names, to wit: Magellan Capital Holdings Corporation (Exhibit C), Magellan Cogeneration, Inc. (Exhibit "D"), and Magellan Utilities Development Corporation (Exhibit "E").

Based on Certificate of Registration No. 53735 (Exhibit "F"), Magellan Capital Management Corporation started using the mark MAGELLAN CAPITAL FUND for financing, management and consultancy services, mutual fund and equity investment services on October 24, 1989. Almost four years thereafter, or on October 13, 1992, Opposer registered MAGELLAN CAPITAL FUND with the then Bureau of Patents, Trademarks and Technology Transfer (now Intellectual Property Office) as its service mark for the aforementioned business (Exhibit "F").

Now, Destileria Limtuaco & Co, Inc., seeks the registration of MAGELLAN for its wine and liquor products, hence, this Opposition.

Magellan Capital Management Corporation alleges that being the first to use MAGELLAN in most of its business undertaking, and having used the same exclusively and continuously from 1989 to present, it has established a goodwill for said mark such that it has acquired a general

recognition as belonging to the Opposer. Being such prior user and adopter of the subject mark, Opposer claims to be entitled to the exclusive use thereof.

Opposer MCMC avers that the Respondent-Applicant's application for registration is merely an attempt of its part to get the benefit of the reputation established by the Opposer and a free ride on the goodwill of Opposer's registered service mark, corporate name, trade name, and business reputation. This act of the Respondent-Registrant, Opposer insists, will violate its proprietary rights/interests and goodwill over and in the mark MAGELLAN as used in its registered service mark MAGELLAN CAPITAL FUND, its corporate name MAGELLAN CAPITAL MANAGEMENT CORPORATION and the corporate name of its affiliates, to wit: MAGELLAN CAPITAL HOLDING CORPORATION, MAGELLAN COGENERATION, INC. and MAGELLAN UTILITIES DEVELOPMENT CORPORATION, thereby causing grave and irreparable injury thereto.

Opposer contends that the Respondent-Applicant's MAGELLAN mark is identical and/or confusingly similar to its service mark, corporate name and its affiliate companies' affiliate names, all of which include MAGELLAN as part thereof.

Section 4(d) of Republic Act 166, as amended provides:

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

xxx

(d) Consists of 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, a to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers."

As held in the case of Esso Standard Eastern, Inc. vs. Court of Appeals, 116 SCRA 336, infringement of trademark depends on whether the goods of the two contending parties using the same trademark, such as "ESSO", are so related as to lead the public to be deceived.

"Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. Thus, biscuits were held related to milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. The trademark "Ang Tibay" for shoes and slippers was disallowed to be used for t-shirts and pants because they belong to the same general class of goods. Soap and pomade, although non-competitive, were held to be similar or belong to the same class, since both are toilet articles. But no confusion or deception can possibly result or arise when the name "Wellington" which is the trademark for shirts, pants, drawers and other articles of wear for men, women and children is used as a name of a department store."

There is no denying that the Respondent-Applicant's MAGELLAN mark is identical with the Opposer's MAGELLAN service mark, corporate name and its affiliate corporations' business name. Nevertheless, the question of whether or not Respondent-Applicant's application for registration of the word MAGELLAN as a trademark for wines and liquors should be allowed, still lies on whether or not it would cause confusion or deception and mislead the ordinary

consumers, confounding the Respondent-Applicant's MAGELLAN goods as originating from the Opposer.

It appears that the Opposer registered with the Principal Register the mark MAGELLAN CAPITAL FUND for its financing, management and consultancy services, mutual fund and equity investment services (Exhibit "F"). On the other hand, Respondent-Applicant Destileria Limtuaco & Co., Inc. is engaged in the business of selling alcoholic products, particularly wines and liquors for which products it seeks to register the word MAGELLAN as a mark.

Section 4(d) earlier quoted clearly provides that registration by another is barred only when the trademark as used in connection with the goods specified in the application or to goods is likely to cause confusion or mistake or to deceive purchasers.

In the case of Acoje Mining Co., Inc. vs. Director of Patents, 38 SCRA 481, the Supreme Court held that the trademark "LOTUS" for soy sauce and "LOTUS" for edible oil were held not confusingly similar because there is quite difference between soy sauce and edible oil. If one is in the market for the former, he is not likely to purchase the latter just because of the trademark "LOTUS".

Likewise, the trademark "CAMIA" for ham and "CAMIA" for lard, cooking oil, abrasive detergents, polishing materials and soap were held not confusingly similar because the products are unrelated and while ham and some of the products of the junior user fall under the same classification as prescribed by the Philippine Patent Office, that fact alone may not be a decisive factor in the resolution as to whether or not the goods are related, the emphasis being on the similarity of the products and not on arbitrary classification or general description of their properties or characteristics. (Philippine Refining Co., Inc. vs. Ng Sam, 115 SCRA 472).

Also, in the case of Hickok Manufacturing Co., Inc. vs. Court of Appeals, 116 SCRA 387, it was held that:

"x x x we gather that there must not only resemblance between the trademark of the plaintiff and that of the defendant, but also similarity of the goods to which the two trademarks are attached."

x x x

"x x x and that the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind."

As can be gleaned from the records, the business of the Opposer does not involve, nor in any way relate to the production or marketing of alcoholic products, or any goods which could possibly within the zone of potential or natural or logical expansion of the Respondent-Applicant's products. Its business and that of its affiliates are focused on providing consultancy and management services (Exhibit "B"), construction, and financing and mutual fund and equity investment services (Exhibit "F"). It is therefore farfetched that an ordinary purchaser would mistake the Opposer as the manufacturer or the origin of the Respondent-Applicant's MAGELLAN wines and liquors.

Invoking the test of dominancy, Opposer states:

"x x x applying the test of dominancy, the question is whether or not the mark "MAGELLAN" applied for by Respondent-Applicant contains the main or essential dominant feature of the mark "MAGELLAN" owned by Opposer as issued in as registered service mark MAGELLAN CAPITAL FUND, its corporate name, MAGELLAN CAPITAL MANAGEMENT CORPORATION, and the corporate name of its affiliates MAGELLAN CAPITAL HOLDINGS CORPORATION, MAGELLAN COGENERATION, INC. and

MAGELLAN UTILITIES DEVELOPMENT CORPORATION, such as to confuse the public and the unwary customers and purchasers, and to deceive them into believing that the products manufactured by Respondent-Applicant bearing the mark "MAGELLAN" are produced and manufactured by Opposer."

x x x

"In this connection, it is noteworthy to state that the Supreme Court has held that in applying the test of dominancy, it is not necessary that every word of the trademark be appropriated. There is already a violation of rights where the substantial and distinctive part of the trademark is copied or imitated. Dissimilarities are not conclusive, as the resemblance may so far dominate the differences as to be likely to deceive ordinary purchasers."

"In the instant case, there is no question that what is retained in the mind of the buying public is the word "MAGELLAN" in Opposer's mark. It is the dominant characteristics or feature or central idea in the label. This dominant feature is clearly what Respondent-Applicant is trying to appropriate by the filing of its application for registration of the trademark MAGELLAN, thus violating the clear right of Opposer to the exclusive use thereof."

This Office does not dispute Opposer's claim that the subject mark is the dominant feature of its service mark and corporate name. It is however noteworthy to mention at this point, in determining whether the two trademarks are confusingly similar, the test is not simply to take their words and compare the same, rather, it is to consider the two marks in relation to the goods to which they are attached. (Bristol Myers Co. vs. Director of Patents, 17 SCRA 128)

On the basis of the foregoing and despite the Order of Default rendered against herein Respondent, this Office is constrained to hold in favor of Respondent-Applicant.

In *Gochangco vs. CFI Negros*, 157 SCRA 40 (1988), the Supreme Court ruled: *"a defaulted defendant is not actually thrown out of Court. x x x If the evidence presented should not be sufficient to justify a judgment for the plaintiff, the complainant must be dismissed."*

WHEREFORE, the instant Opposition is, as it is hereby, DENIED and this case is, as it is hereby, DISMISSED. Accordingly, Application Serial No. 88292 for the registration of the trademark "MAGELLAN" of Respondent-Applicant Destileria Limtuaco & Co., Inc. for wines and liquors is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of this case be forwarded to the Administrative, Financial and Human Resource Development Bureau for appropriate action in accordance with this DECISION with a copy to be furnished the Bureau of Trademark for information and update of its records.

SO ORDERED.

Makati City, 29 December 1998.

ESTRELLITA BELTRAN-ABELARDO
Caretaker/Officer-In-Charge