



BLUE CROSS INSURANCE INC. and BLUE
CROSS HEALTH CARE, INC.,
Petitioners,

-versus-

PHILIPPINE BLUE CROSS BIOTECH CORP.,
Respondent-Registrant.

X-----X

IPC No. 14-2008-00032

Cancellation of:

Reg. No. 4-1997-125085

Date issued: 10 Feb 2003

Trademark: "BLUE CROSS & LOGO"

NOTICE OF DECISION

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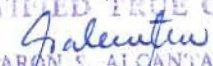
GREETINGS:

Please be informed that Decision No. 2013 – 95 dated May 28, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 31 May 2013.

For the Director:


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

CERTIFIED TRUE COPY

SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs, IPO



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DECISION

BLUE CROSS INSURANCE INC. and BLUE CROSS HEALTH CARE, INC. (collectively referred to as "Petitioners")¹, filed on 01 February 2008 a Petition for Cancellation of Trademark Registration No. 4-1997-125085. The trademark registration, issued on 10 February 2003 to PHILIPPINE BLUE CROSS BIOTECH CORP., ("Respondent-Registrant")², covers the mark "BLUE CROSS & LOGO" for use on *pregnancy test* under Class 05 of the International Classification of Goods³. The Petitioners allege the following:

"A. Certificate of Registration No. 4-1997-125085 was obtained fraudulently or contrary to the provisions of Republic Act No. 8293, otherwise known as the Intellectual Property (IP) Code of the Philippines, particularly Section 123.1(d) thereof, which provides in substance that a mark cannot be registered if it: x x x.

"B. Certificate of Registration No. 4-1997-125085 tends to deceive and mislead the public. It supposedly covers 'BLUE CROSS & LOGO' as a trademark for use on 'pregnancy test' in Class 05. However, 'pregnancy test' is not a product falling under Class 5. It is a kind of service.

"C. The cancellation of Certificate of Registration No. 4-1997-12508 is authorized under Section 151.1 (b) of the IP Code. x x x

"The Petitioner's rely on the following facts to support this Petition for Cancellation:

"1. As early as June 25, 1986, the Petitioner, BLUE CROSS INSURANCE, INC. not only adopted and used in commerce in the Philippines the mark 'BLUE CROSS', but also secured a registration of its corporate name or trade name from the Securities and Exchange Commission;

¹ Corporations organized and existing under the laws of Switzerland with principal offices at Blue Cross Center, 8000 Makati Avenue, Makati City.

² A corporation organized and existing under the laws the Philippines with office address at Rm. 1505 State Centre Bldg. 3333 Juan Luna Street, Binondo, Manila.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement concerning the International Classification of goods and services for the purpose of the Registration of marks concluded in 1957.

"2. As early as July 21, 1986, the Petitioner BLUE CROSS INSURANCE INC., was registered as a business name with the Bureau of Domestic Trade, Department of Trade and Industry under Certificate of Registration of Business Name bearing No. 21740;

"3. Due to the heavy demands for health care maintenance services, and in the orderly conduct of its business, the incorporators of the Petitioner BLUE CROSS INSURANCE, INC. decided to form a separate entity to engage in health care maintenance services. Hence, the Petitioner BLUE CROSS HEALTH CARE, INC. was formed and then registered with the Securities and Exchange Commission on July 22, 1987 under SEC Registration No. 14278;

"4. Long before the Respondent-Registrant filed its application for registration of the trademark 'BLUE CROSS & LOGO' in September 25, 1997 under Trademark Application No. 4-1997-125085 for 'pregnancy test', the Petitioners were already the prior adopters and users of the marks 'BLUE CROSS INSURANCE, INC. & LOGO' and 'BLUE CROSS HEALTH CARE, INC. & LOGO' in the Philippines. Petitioners have filed trademark applications in the Intellectual Property Office (formerly Bureau of Patents, Trademarks and Technology Transfer) way back May 22, 1992 for 'services dealing with insurance lines including medical, travel, fire and allied lines, engineering and electronics, marine cargo, casualty, motor car, bonds, personal accident and livestock', and trademark Application No. 4-1992-80869 covering 'BLUE CROSS HEALTH CARE, INC. LOGO' for 'services dealing with insurance lines including medical, travel, fire and allied lines, engineering and electronics, marine cargo, casualty, motor car, bonds, personal accident and livestock', and Trademark Application Serial No. 4-1992-80869 covering 'BLUE CROSS HEALTH CARE, INC. & LOGO' for 'services dealing with health care maintenance, hospitalization, emergency care, medical treatment, maternity, dental and burial.'

"5. The mentioned marks 'BLUE CROSS INSURANCE, INC. & LOGO' and 'BLUE CROSS HEALTH CARE, INC. & LOGO' that the Petitioners own have been continuously and extensively used in commerce in the Philippines respectively on 'services dealing with insurance lines including medical, travel, fire and allied lines, engineering and electronics, marine cargo, casualty, motor car, bonds, personal accident and livestock' and 'services dealing with health care maintenance, hospitalization, emergency care, medical treatment, maternity, dental and burial' from 1986 up to present and were not abandoned;

"6. The Respondent-Registrant's mark 'BLUE CROSS & LOGO', wherein the words 'BLUE CROSS' and the design of a cross are the dominant elements of the marks, are confusingly similar, if not patently identical to Petitioners' trademarks BLUE CROSS INSURANCE, INC. & LOGO and 'BLUE CROSS HEALTH CARE, INC. & LOGO' that were adopted and used in commerce for quite a long time before the filing by Respondent-Registrant of its then Trademark Application No. 4-1997-125085. Accordingly, the ultimate registration of 'BLUE CROSS & LOGO' under Certificate of Registration No. 4-1997-125085 is clearly contrary to the provisions of section 123.1(d) of the IP Code (Republic Act No. 8293);

"7. The Petitioners have spent so much for the advertisement and promotions of their trademarks 'BLUE CROSS INSURANCE, INC. & LOGO' and 'BLUE CROSS HEALTH CARE, INC. & LOGO' that their business and goodwill will certainly be damaged by the continued registration of the same mark in the name of the Respondent-Registrant;

"8. From June 25, 1986 up to the present, Petitioner BLUE CROSS INSURANCE, INC. adopted and used continuously in commerce in the Philippines the mark 'BLUE CROSS' as part of its corporate name/trade name. On the other hand, Petitioner BLUE CROSS HEALTH CARE, INC. adopted and continuously in commerce in the Philippines the mark 'BLUE CROSS' as part of its corporate name/trade name from July 22, 1987 up to the present;

"9. Because of their long, open, continuous and unchallenged usage of the mark 'BLUE CROSS' and the extensive advertisements and promotions thereof, the Petitioners have already amassed and

reaped a considerable amount of reputation and goodwill thereto;

"10. Because of Petitioners' fame and goodwill, the registration or continued registration of the same, identical or confusingly-similar service mark or trade name by Respondent-Registrant shall inescapably result in confusion and deception of the public;

"11. Between the Respondent-Registrant's registered mark, which has just been used recently in commerce in the Philippines, and the Petitioner's corporate names or trade names, which have been extensively and continuously used in good faith in commerce in the Philippines, first to be registered with the Securities and Exchange Commission and the Department of Trade and Industry, and first to be applied to be registered with the Bureau of Patents, Trademarks and Technology Transfer (BPTT) [now the Intellectual Property Office], the Petitioner's corporate names, trade names and trademarks deserve more protection under the Corporation Code of the Philippines, the IP Code of the Philippines and material jurisprudence;

"12. The Petitioners' trademarks 'BLUE CROSS INSURANCE, INC. & LOGO' and 'BLUE CROSS HEALTH CARE, INC. & LOGO' are well-known or famous marks in the Philippines so that the same must be protected under the IP Code and relevant Philippine laws;

"13. The Respondent-Registrant's Certificate of Registration No. 4-1997-125085 was obtained fraudulently, in bad faith, and contrary to the provisions of the Trademark law since the corresponding trademark application covering 'pregnancy test' should have been rejected outright pursuant to Section 123.1(d) under the IP Code for being confusingly similar with the Petitioner's mark 'BLUE CROSS' covering services dealing with health care maintenance, hospitalization, etc. and which are closely related to each other;

"14. As a matter of fact, Certificate of Registration No. 4-1997-125085 tends to deceive and mislead the public since 'pregnancy test' is not a product falling under Class 5. It is a kind of service. The mark 'BLUE CROSS & LOGO' should have been properly sought to be registered by Respondent-Applicant as a service mark for 'pregnancy test'. Nonetheless, even if such was the case, the application should have immediately and unconditionally refused in light of the prior Trademark Application Serial No. 4-1992-80868 covering 'BLUE CROSS INSURANCE, INC. & LOGO' and Trademark Application No. 4-1992-80869 covering 'BLUE CROSS HEALTH CARE, INC. & LOGO' of the Petitioners;

x x x

"15. The hospitals and medical establishments with which the Petitioner, BLUE CROSS HEALTH CARE, INC. has been accredited are rendering 'pregnancy test services' and other similar and closely related services; and

"16. By virtue of Petitioners' prior and continued use of the mark 'BLUE CROSS HEALTH CARE, INC. & LOGO' in the Philippines, the same have become popular and well-known and have consequently established prompt recognition and valuable goodwill among its clients or patients.

The registration and use of a confusingly-similar trademark by the Respondent-Registrant will intend to deceive and/or confuse the public into believing that Respondent-Registrant's 'pregnancy test' are those of Petitioners' or those services rendered by hospitals and medical establishments with which Petitioners have been accredited. Respondent-Registrant obviously intends to and is getting a free ride on Petitioners' goodwill. Hence, aside from a confusion of goods, there is also a confusion of business whereby the use of the same mark by the Respondent-Registrant produces confusion of affiliation and origin pursuant to Section 123.1(g) of the IP Code."

The Petitioners' evidence consists of the Affidavit of John Daniel Casey⁴ and the annexes thereto consisting of the following:

1. certified copy of Respondent-Registrant's Cert. of Reg. No. 4-1997-125085;
2. certified copies of the Petitioner BLUE CROSS INSURANCE INC.'s Securities and Exchange Commission ("SEC") registrations;
3. copy of the Petitioner BLUE CROSS INSURANCE INC.'s Department of Trade and Industry ("DTI") business name registration;
4. certified copies of the Petitioner BLUE CROSS HEALTH CARE INC.'s SEC registrations;
5. copy of the Petitioner BLUE CROSS HEALTH CARE INC.'s DTI business name registration;
6. certified copies of the Petitioners' trademark application serial Nos. 4-1992-80868 and 4-1992-80869;
7. certified copies of the Petitioners' trademark applications with serial No. 4-2005-11111 and No. 4-2005-11110;
8. disclosure statement that from 1999 to 2006 over Php17,035,415.44 were spent in the advertisements and promotions of Petitioners' trademarks;
9. disclosure statement that from 1997 to 2006 over Php1,847,724,059.29 were earned by the Petitioners;
10. list of accredited hospitals, clinics and medical establishments as of September 2007 with which BLUE CROSS HEALTH CARE INC. is accredited; and
11. certification from the Makati Medical Center's Credit and Collection Department attesting to the fact that it has been regularly and continuously providing medical and hospitalization services to BLUE CROSS HEALTH CARE INC. members for almost twenty years.⁵

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Registrant on 11 April 2008. Thus, the Respondent-Registrant had until 11 May 2008 to file the ANSWER. On 09 May 2008, a "Notice of Appearance with Motion for Extension" was filed by the Respondent-Registrant's counsel seeking an additional period of thirty days or until 11 June 2008 to file the Answer. While the motion was not resolved by the Hearing Officer before or on 11 June 2008, the Respondent-Registrant nonetheless failed to file the Answer. On 11 August 2008, the Respondent-Registrant filed a Motion to Admit asking this Bureau to admit the Answer alleging that *"While a draft of the Answer had been prepared, due to the unusually heavy workload of the undersigned (counsel), including the need to attend to other equally important matters, including attendance at hearings and the preparation of pleadings, the finalization and filing thereof was left unnoticed."* This prompted the Petitioners to file on 12 August 2008 an opposition to the Respondent-Registrant's motion to admit.

On 02 October 2008, the Hearing Officer issued Order No. 2008-1526 denying and expunging from the records the Respondent-Registrant's motion to admit. The Respondent-Registrant then filed on 24 October 2008 a "Motion to Set Aside Order or Proffer of Excluded Evidence". This Bureau's Assistant Director, through Resolution No. 2009-04 denied the motion. Undaunted, the Respondent-Registrant filed on 24 March 2009 a motion for reconsideration, which the Assistant Director also denied per Resolution No. 2010-002, dated 10 February 2010.

⁴ Marked as Exhibit "A".

⁵ Annexes "A" to "M".

Should Trademark Registration No. 4-1997-125085 be cancelled?

Sec. 151 of the IP Code states in part, to wit:

Section 151. Cancellation. - 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

- (a) Within five (5) from the date of registration of the mark under this Act x x x
- (b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used. x x x
- (c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

The fact that the Respondent-Applicant's Answer and evidence were expunged or not admitted on the ground that these were filed out of time does not mean that the petition for cancellation is automatically granted. Sec. 138 of the IP Code reads:

Sec. 138. Certificates of Registration. - A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

Thus, the Petitioners have the burden to prove that there is a ground or there are grounds to cancel the Respondent-Registrant's trademark application.

With respect to the claim of the Petitioners that the Respondent-Registrant's registration tends to deceive and mislead the public since "pregnancy test" is not a product falling under Class 5 because it is a kind of service, this Bureau finds it untenable. The Respondent-Registrant's trademark is used on goods not services. The Respondent-Registrant's product is a device that can detect pregnancy. It can be bought over-the-counter, is self-administered, and does not require the assistance or intervention of another person, much less a medical professional or associate, nor to be done in a clinic or medical facility.

The Petitioners also anchor their petition on Sec. 123.1 of the IP Code. But a scrutiny of the records reveals that the subject trademark registration was issued or granted pursuant to Rep. Act No. 166 (the old "Law on Trademarks"). The Petitioners therefore should have also cited Sec. 4(d) of RA 166 which provides that a mark shall not be registered if it "*Consists of or comprises a mark or trade-name which so resembles a mark of trade-name registered in the Philippines or a mark or trade-name 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 services of the applicant, to cause confusion or mistakes or to deceive purchasers;*". In any case however, there is no cogent reason to grant the instant petition for cancellation.

At the time the Respondent-Registrant filed an application for the registration of the mark BLUE CROSS on 25 September 1997, the Petitioners do not have registered trademarks or pending trademark applications for the registration of BLUE CROSS or similar marks. While the Petitioners earlier applied for the registration of the marks BLUE CROSS INSURANCE, INC. & LOGO and BLUE CROSS HEALTH CARE, INC. & LOGO on 22 May 1992, these did not prosper into trademark registrations.

Also, while the Petitioners may have secured registrations from the Securities and Exchange Commission ("SEC") of the corporate or trade names "Blue Cross Insurance, Inc." and "Blue Cross Health Care, Inc." on 25 June 1986 and 22 July 1987, respectively, the adoption and use by the Respondent-Registrant of its mark is unlikely to cause confusion or mistake, much less deception. The Petitioners' business or trade is financing and/or insurance services. The Respondent-Registrant's mark on the other hand is a brand for a specific consumer product. Thus, it is not likely that a consumer who buys or is confronted with the Respondent-Registrant's product bearing the mark BLUE CROSS would have in mind the Petitioners and their services. Aptly, the Petitioners presented no evidence to prove that prior to the Respondent-Registrant's adoption, use and registration of the mark BLUE CROSS, they are already engaged in the manufacturing, selling or distributing devices or kits similar to the Respondent-Registrant's before the adoption, use and registration. It is of no moment that the Petitioners' business embraces the "health maintenance service", as such service is still and essentially financing and insurance.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **DISMISSED**. Let the filewrapper of Trademark Registration No.4-1997-125085 together with a copy of this Decision be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 May 2013.


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