



EAST WEST BANKING CORPORATION,
Petitioner,

-versus-

EAST WEST BANK,
Respondent-Registrant.

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}
} IPC No. 14-2012-00263
} Cancellation of:
} Reg. No. 4-2008-005484
} Date Issued: August 27, 2009
} TM: "EAST WEST BANK
} & COMPASS LOGO"

NOTICE OF DECISION

VERALAW
(DEL ROSARIO & RABOCA)
Counsel for the Petitioner
A & V Crystal Tower
105 Esteban Street, Legaspi Village
Makati City

SALUDO FERNANDEZ AQUINO & TALEON
Counsel for Respondent-Registrant
2nd, 3rd and 4th Floors, SAFA Bldg.,
5858 Alfonso cor. Fermina Street
Poblacion, Makati City

GREETINGS:

Please be informed that Decision No. 2013 - 202 dated October 10, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 10, 2013.

For the Director:

Edwin B. Dating
Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



EAST WEST BANKING CORPORATION,
Petitioner,

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EAST WEST BANK,
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} **IPC NO. 14-2012-00263**
} Cancellation of Trademark
} Reg. No. 4-2008-005484
} Trademark: **EAST WEST BANK**
} **& COMPASS LOGO**
} Issued on: August 27, 2009
} Filing date: May 9, 2008
}
} Decision No. 2013- 202

DECISION

EAST WEST BANKING CORPORATION, (Petitioner)¹ filed on 1 June 2012 a Petition for Cancellation of Trademark Certificate No. 4-2008-005484. The certificate of registration, issued to **EAST WEST BANK** (Respondent-Registrant)², covers the mark “**EAST WEST BANK & COMPASS LOGO**”, for use on “automated teller machine services, banking, capital investment, debit card services, depository services, electronic funds transfer, exchanging money, financial affairs, financial consultancy, financial management, financing services, hire-purchase financing, home banking, installment loans, insurance, insurance brokerage, insurance consultancy, issuance of credit card, issuing of travelers checks, issuing of letters of credit, issuing bankers acceptances, lending against security, loans, monetary affairs, mortgage, banking, real estate affairs, safe deposit service, securities brokerage, stocks and bonds brokerage, stocks and bonds brokerage, trusteeship, and cash management system comprising or armored carrier service and an electronic safe with currency note acceptor/reader, electronic data entry and reporting system and printer” under Class 36 of the International Classification of Goods³.

The Petitioner anchors its petition on the ground that it is the prior user and owner of the trade name and trademark “**EAST WEST BANK**” and is protected under Section 165.2 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”). According to the Petitioner, the cancellation of the registration of a trademark is allowed if the registration was obtained fraudulently and/or contrary to the provisions of Section 151 (1)(b) of the IP Code. The Petitioner alleges the following:

“1. The Petitioner adopted the trade name **EAST WEST BANKING CORPORATION** on February 23, 1994 when it formally incorporated

¹ A corporation organized and existing under the laws of the Philippines with address at 20/F PCom Tower, 6795 Ayala Avenue corner Herrera Street, Salcedo Village, Makati City.

² With address at 135 N. Los Robles Avenue, Pasadena, C A 911101, U.S.A.

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

with the Securities and exchange Commission under Registration No. ASO94-002733. On July 6, 1994, the Bangko Sentral ng Pilipinas granted Petitioner its license, becoming the Philippines' thirty-fourth commercial bank.

"2. Petitioner began to offer its services to the public on August 1, 1994 at its first branch along Senator Gil Puyat Avenue, Makati City, using the trade name and trademark "EAST WEST BANK".

"3. Petitioner subsequently advertised the services to the public using the trade name and trademark "EAST WEST BANK".

"4. Since the date of incorporation in 1994, Petitioner continuously and exclusively used the trade name and trademark "EAST WEST BANK" and as such, the public has come to associate and identify the tradename and trademark "EAST WEST BANK" with the Petitioner, as shown by the following:

4.1. Petitioner has adopted the tradename and trademark "EAST WEST BANK" in the financial products and services it offered to the public such as in the Peso and Dollar savings Passbooks, Check Books, cashier's and Manager's Checks, Peso and Dollar Time Deposit Forms, ATM cards, Application Forms for Visa and Mastercards, Home, Auto and Personal Loans, Personal Investment Forms, Bills Payment Forms, ATM Machines, Internet banking services.

4.2. Petitioner published and disseminated its Annual Reports from 1996 to 2010 to its stockholders, directors, clients using the trade mark and trade name "EAST WEST BANK".

4.3. Petitioner's letterhead used in internal communications showing tradenames and trademarks are hereto attached.

4.4. Petitioner's letterhead used in communications with other agencies show the trade name and trademark "EAST WEST BANK".

4.5. Petitioner was known to/and caused the publication of its financial products and services with the name and mark "EAST WEST BANK" to broadsheets and other media markets with national circulation in the Philippines.

4.6. To date, Petitioner has 150 branches and 144 ATM terminals nationwide. It merged with the former AIG Philam Savings bank, as a result of which the Petitioner became the sixth largest lender for housing, auto credit cards in the country.

4.7. Petitioner has widened the reach of its financial products and services as a subsidiary of the Filinvest Development Corporation, a

publicly listed company, and known affiliates, Filinvest Alabang, Inc. and Filinvest land, Inc.

“5. Since 1994, Petitioner has spent considerable time, manpower and financial resources in the publication and information dissemination of its financial products and services bearing the name “EAST WEST BANK” in print, radio and television so that the public may come to identify and associate the trademark and trade name with the Petitioner.

“6. Sometime in 2002, Petitioner, realizing that it can reach a global audience of users through the World Wide Web, advertised and promoted its financial products and services through its website, www.eastwestbanker.com.

“7. To protect its trade name and trademark, “EAST WEST BANK”, Petitioner filed 15 Trademark Application from 1996 to 2011.

“8. Despite the popularity and petitioner’s first use of the mark in March 1994, Respondent-Registrant obtained Trademark Registration No. 4-2008-005484 for the mark “EAST WEST BANK & COMPASS LOGO” on August 27, 2009.

9. On May 9, 2011, Respondent-Registrant filed its Declaration of Actual use claiming 31 December 2000 as the date of first use of the mark EAST WEST BANK & COMPASS LOGO, or six (6) years from the date Petitioner first used the trademark and trade name “EAST WEST BANK”.”

To support its opposition, the Opposer submitted as evidence the following:

1. Exhibit “A”- Certified copy of Amended Articles of Incorporation under Reg. No. ASO94-002733 ;
2. Exhibit “B”- Matrix of financial services offered by the Petitioner;
3. Exhibit “C”-“GG”- Sample documents showing trade name and trademark, i.e. time deposit slips, savings account, home loan application forms;
4. Exhibits “HH”-“UU”- Copy of Annual Reports from 1996 to 2010;
5. Exhibit “VV”- Copies of internal communications, memorandums between employees showing trade name and trademark “EAST WEST BANK”;
6. Exhibit “WW”- Affidavit of Juan Christian Arevalo attesting to the use of the trade name “EAST WEST BANK” in the official publication “Sunbeam”;
7. Exhibit “XX”- Samples of letters, correspondence with other entities advertisements using paper with “EAST WEST BANK” trade name;

8. Exhibit "YY"- Matrix of publications, articles of the Petitioner's financial services in media markets;
9. Exhibit "ZZ"- List of 129 branches and 144 ATM terminals of the Petitioner nationwide;
10. Exhibit "AAA"- photographs of branches of the Petitioner nationwide;
11. Exhibit "BBB"- Web site of Filinvest Development Corporation showing home loans available through East West Bank;
12. Exhibit "CCC"- Summary of the Petitioner's advertising expenses;
13. Exhibit "DDD"- Newspaper write-ups and articles about Petitioner;
14. Exhibit "EEE"- Print-out of www.eastwestbanker.com;
15. Exhibit "FFF"- Print-out of article of Best Website Award to the Petitioner;
16. Exhibit "GGG"- Print -out search report of EAST WEST DOLLAR PRIME FUND, EAST WEST SAVINGS MAXIMIZER with filing date November 4, 2004, EAST WEST HOME SUITE LOAN HOME IMPROVE, EAST WEST HOME LOAN ACQUIRE, EAST WEST HOME SUITE LOAN HOME CONSTRUCT, EAST WEST INFINITY PRIVATE BANKING with filing date November 4, 2004;
17. Exhibit "HHH"- Certified true copy of the Respondent -Registrant's Certificate of Registration dated August 27, 2009; and
18. Exhibit "III" - The Respondent-Registrant's Declaration of Actual Use filed on May 9, 2011.

This Bureau issued a "Notice to Answer" and served a copy thereof upon the Respondent-Applicant on 18 July 2012. The Respondent-Applicant, however did not file an Answer. Accordingly, the Hearing Officer issued on 21 November 2012 Order No. 2012-1509 declaring the Respondent-Applicant in default.

Should the Respondent-Registrant's mark be cancelled?

The essence of trademark registration is to give protection to the owners of trademarks. 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.⁴ Thus, Sec. 123.1 (d) of the IP Code provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The competing marks, as depicted below, are practically identical:

Petitioner's mark

Respondent-Registrant's mark



The records show that the Petitioner filed six applications for the registration of the mark EAST WEST BANK and its variations on 4 November 2004 covering goods /services under Class 36. The applications however, were deemed abandoned due to the Petitioner's failure to file the required Declaration of Actual Use.⁵ This notwithstanding, this Bureau noticed that the Petitioner submitted evidence that it has been operating/engaged in banking and was formally incorporated as early as 23 February 1994 under Reg. No. ASO94-002733⁶ issued by the Securities and Exchange Commission, adopting the trade name or corporate name "EAST WEST BANKING CORPORATION". The Petitioner has secured a license from the *Bangko Sentral ng Pilipinas* to operate a commercial bank in the Philippines as far back as 6 July 1994. In its dealing with the public or consumers, the Petitioner has used since 1994 the trade name and the mark, in advertisements, articles, publications and transactions/operational materials. In contrast, the Respondent- Registrant filed its registration application for the registration of the mark "EAST WEST BANK & COMPASS LOGO" only in 2008.

In this regard, the pertinent provision of the IP Code provide:

Sec.122. How Marks Are acquired.- The rights in a mark shall be acquired through registration made validity in accordance with the provision of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec.122 of the IP Code which says that registration confers ownership of the mark. What the provision speaks of that the rights in the mark shall be acquired through registration, which must be made validly in accordance with the

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 November 1999.

⁵ Exhibit "GGG"

⁶ Exhibit "A"

provision of the law. Significantly, Sec. 122 of the IP Code makes reference to Sec.2-A of Republic Act No. 166, as amended (the old on Trademarks), which states:

Sec. 2-A Ownership of trademarks, tradenames and services marks: how acquired.- Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who render any lawful service in commerce by actual use thereof in manufacture or trade, in business, and in the name, or a services- mark not so appropriate by another, to distinguish his merchandise, business or services from the merchandise, business or services of others. The ownership or possession of a trademark, trade-name, service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law.”

Sec. 138 of the IP Code provides that “*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 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.*” This provision states only a presumption of ownership. As a presumption, it can be overcome by evidence showing ownership belonging to another proprietor. Hence, Sec. 151 of the IP Code states:

Sec. 151. Cancellation. – 151.1 A petition to cancel the 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) years from the date of the registration of the mark under this Act.
- (b) At any time, if the registered mark becomes the 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 xxx

Clearly, it is not the application or the registration that confers ownership of a mark, but it is the ownership of the mark that confers the right to registration. Petitioner has proved that it owns the name and mark EAST WEST BANK using it in banking and financial services business long before the Respondent-Registrant filed an application for the registration of practically the same mark for similar services.

In *E.Y. Industrial Sales, Inc. and Engracio Yap vs. Shen Dar Electricity Machinery Co. Ltd*⁷, the Supreme Court held:

Notably the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be

⁷ G.R. No. 184850, October 20, 1010

held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*⁸

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a *prima facie* proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

Corollary, the Petitioner's trade name is protected inspite of the abandonment of its application for trademark registration. Significantly, Sec. 165 of the IP Code provides:

Sec. 165. Trade Names or Business Names. – 165.1 A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals, and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2. (a) Notwithstanding, any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties. In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or a collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful. (Underscoring supplied)

There is no doubt that if the Respondent-Registrant uses the mark EAST WEST BANK in doing business in the Philippines, such use is subsequent to the Petitioner's, and is likely to mislead the consumers into believing that the parties (and their services) are connected to each other.

⁸ G.R. 159938, March 31, 2006

WHEREFORE, premises considered, the instant Petition for Cancellation of Trademark Registration No. 04-2008-005484 is hereby **GRANTED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 10 October 2013.


Atty. **NATHANIEL S. AREVALO**
Director IV
Bureau of Legal Affairs