



OFFICE OF THE DIRECTOR GENERAL

CHARTERED FOREX, INC. and FOREX CARGO (PHIL.), INC., Appellants,

-versus-

EASY FOREX LTD., Appellee.

X-----X

APPEAL NO. 14-2013-0021
IPC No. 14-2010-00174
Opposition to:
Application No. 4-2009-004760
Date Filed: 14 May 2009
Trademark: EASY FOREX READY. TRADE LOGO

NOTICE

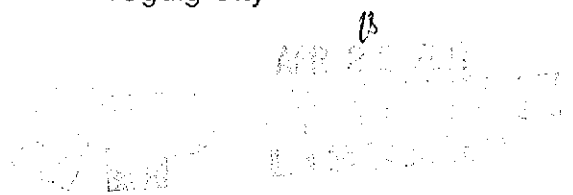
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GREETINGS:

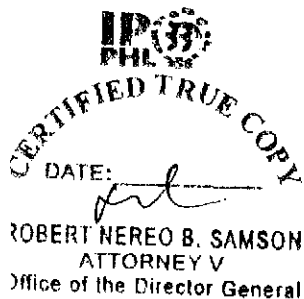
Please be informed that on 21 April 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 21 April 2014.

Very truly yours,

[Handwritten signature]

ROBERT NEREO B. SAMSON
Attorney V





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CHARTERED FOREX, INC. and
FOREX CARGO (PHIL.), INC.,
Opposers-Appellants,

-versus-

EASY FOREX LTD.,
Respondent-Appellee.

x-----x

Appeal No. 14-2013-0021

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Application No. 4-2009-004760

Date Filed: 14 May 2009

Trademark: EASY FOREX READY.
TRADE LOGO



DECISION

CHARTERED FOREX, INC. and FOREX CARGO (PHIL.), INC (“Appellants”) appealed the decision of the Director of Bureau Legal Affairs (“Director”) dismissing the Appellants’ opposition to the registration of the mark “EASY FOREX READY. TRADE LOGO”.

Records show that EASY FOREX LTD. (“Appellee”) filed on 14 May 2009 Trademark Application No. 4-2009-004760 for EASY FOREX READY. TRADE LOGO for use on cash and currency exchange transactions; providing cash and currency exchange transactions via a global communications network; currency exchange information services; providing currency exchange information via a global communications network; agencies for brokerage of securities trading in overseas securities markets and of transactions on commission of overseas market securities futures. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 19 April 2010.

Subsequently, the Appellants filed a “VERIFIED OPPOSITION” dated 16 August 2010 claiming that they would be damaged by the allowance for registration of EASY FOREX READY. TRADE LOGO. The Appellants alleged that they are primarily engaged in the business of forwarding, handling, and distributing freight and cargo (usually in the form of so-called “balikbayan boxes”) from countries abroad into the Philippines and that they also have a significant money remittance business. They claimed to be a pioneer in this industry of door-to-door delivery of balikbayan boxes and money remittance, having started its business in the 1980’s.

The Appellants maintained that they are the registered owner of the marks “FOREX” and “FOREX AND DEVICE” for use on postal services, namely, packaging articles for overseas transportation and parcel delivery while the Appellant FOREX CARGO (PHIL.), INC. is the registered owner of the mark “FOREX CARGO (PHIL.), INC.” for door-to-door delivery – personal effects. The Appellants contended that the dominant feature of their marks is “FOREX” and that the




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Appellee's mark is confusingly similar to their registered marks and cannot be registered. The Appellants asserted that their services are related to those covered by the Appellee's mark. The Appellants averred that if the Appellee is allowed to register its confusingly similar mark their rights to the exclusive use of "FOREX" would be violated. Moreover, according to the Appellants, if the Appellee's mark would be allowed and left unchecked, this would necessarily diminish the distinctiveness of their marks causing them grave and irreparable injury.

The Appellee filed a "VERIFIED ANSWER" dated 24 January 2011 claiming that its mark is easily distinguishable and not confusingly similar with the Appellants' marks. The Appellee argued that its mark and those of the Appellants' each contain completely distinct words of different spelling and that the words carried by the marks aside from the common word "FOREX" are each pronounced differently. The Appellee maintained that the marks are each presented to the public in contrasting and easily distinguishable manner especially considering that the marks come as stylized or used in conjunction with a device. The Appellee contended that the Appellants cannot claim any exclusive right to use "FOREX" as a mark "SUN FOREX" has long been registered in the name of Sun Life Assurance Company of Canada for individual life insurance services.

The Appellee asserted that the Appellants' business of door to door delivery of personal effects or *balikbayan* boxes and postal services covers a completely different area of business as that of its business which covers foreign currency transactions. According to the Appellee, there is a chasm of difference in running a courier or postal door to door type of operation in contrast to running a global foreign exchange transaction service as covered by its "EASY FOREX" trademark. The Appellee posited that its business could not be considered as closely related or a natural expansion of the Appellants' postal and door to door parcel and personal effects or *balikbayan* box business. The Appellee further maintained that their clients are intelligent and discriminating and that one who is in the market requiring door to door parcel or *balikbayan* box services would not be mistaken for the foreign exchange service transactions of the Appellee. The Appellee claimed that the Appellants' marks are not internationally well-known or well-known in the Philippines while its "EASY FOREX" trademark is internationally well-known, has been applied for/registered and is commercially used in major markets, and that its services are available in the Philippines.

After the appropriate proceedings, the Director dismissed the opposition and ruled that confusion or deception is unlikely to occur and that the services covered by the Appellee's mark are different from the Appellants'. The Director held that the Appellants' business, including the remittance of dollars, is essentially transporting goods from one place or location to another which finds no similarity to the complexities of currency exchange transactions and information services and securities trading. The Director also stated that there is no evidence that the Appellants have even considered venturing in the area of currency exchange and information services and securities trading and that if the Appellants decide to do so,


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FOREX shall be considered generic or at least descriptive as this word is widely recognized or accepted to mean "foreign (currency) exchange".

The Appellants filed on 16 March 2012 a motion for reconsideration which the Director denied for lack of merit. Not satisfied, the Appellants filed on 04 June 2013 a "MEMORANDUM OF APPEAL" contending that the Bureau of Legal Affairs ("BLA") failed to properly apply the "Dominancy Test" as required by the Intellectual Property Code of the Philippines ("IP Code"). The Appellant argues that "FOREX" is a dominant feature of the Appellants' marks which is also prominent in the Appellee's mark. According to the Appellants, this is enough to constitute confusing similarity which bars the registration of the Appellee's mark, and that the addition of the words "EASY", "READY", and "TRADE" which are common usage words that are merely descriptive of the services being offered contribute nothing to the distinctiveness of the Appellee's mark.

The Appellants maintain that the BLA erred in ruling that confusion or deception is unlikely to occur because the services covered by the Appellee's mark are different from the Appellants. The Appellants aver that the BLA has forgotten that in intellectual property law and jurisprudence, trademark protection is extended not only to identical goods/services but also to goods and services which are related or are within the zone of reasonable expansion. The Appellants contend that while their services are different from the Appellee's services, the circumstances are such that confusion of business is likely to occur as their services deal with money, particularly foreign currency, and that a likelihood of confusion is enough to prevent registration. The Appellants also point out that the Appellants are not required to have actually "considered venturing" into the Appellee's area of business and the mere fact that the registration of the Appellee's mark will forestall the normal potential expansion of the Appellants' business is sufficient ground for the denial of the trademark application. Finally, the Appellants maintain that FOREX is distinctive for their services and it does not lose its distinctiveness when used for services/business within the normal expansion of business and if FOREX is generic or descriptive for being "widely recognized or accepted to mean foreign (currency) exchange", then the Appellee's mark is "unregistrable".

On 17 July 2013, the Appellee filed its "COMMENT ON THE APPEAL" claiming that the Bureau of Legal Affairs was correct in finding that the parties' marks are not confusingly similar and that there are glaring differences between their marks and the only resemblance between the competing marks is the word "forex" which it has disclaimed in the subject trademark application. According to the Appellee, in the determination of the existence of confusing similarity, the "Holistic Test" was not abrogated in favor of the "Dominancy Test" and that in this case, the Holistic Test is the more appropriate principle.

The Appellee maintains that currency exchange transactions is not within the zone of reasonable expansion of the business of the Appellants and these transactions may not be undertaken without specific licenses from the banking and finance authorities requiring minimum capital investments. The Appellee claims that the

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Appellants could not show the protection for FOREX for their money remittance business, but only for their parcel delivery business, because FOREX is generic as regards this business and that they would be required to disclaim this mark as what the Appellee did in its trademark application.

The issue in this appeal is whether the Director was correct in dismissing the Appellant's opposition to the registration of the Appellee's mark EASY FOREX READY.TRADE LOGO.

Below are the illustrations of the parties' marks:

Appellants' marks

Forex **Forex** 



Forex Cargo (Phil.) Inc. 

Appellee's mark

easy  forex
ready.trade

At a glance, one can clearly see the presence of the term "Forex" or "forex" in these marks. Because of this, the Appellants are claiming that the Appellee's use and registration of "forex" would violate their exclusive right to use their registered marks having the word "FOREX" and would give rise to a likelihood of confusion damaging their interests. In this regard, Sec. 138 of the IP Code provides that:

SEC. 138. Certificate 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.


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Under this provision, the Appellants as the registered owners for FOREX have the exclusive right to use this mark for postal services, namely, packaging articles for overseas transportation and parcel delivery and for door-to-door delivery of personal effects, and to other related services. Moreover, the Appellants exclusive right to use FOREX in other related services must be interpreted in conjunction with the prohibition that words or phrases which have been in common use and which indicate the character, kind, quality and composition of the thing, may not be appropriated for exclusive use. In the exclusive use of them the law will not protect.¹

Thus, in this instance, the exclusive right of the Appellants to use FOREX cannot include the right to prevent others from using this mark in foreign currency transactions. The reason for this is because FOREX when being considered in foreign currency transactions connotes "foreign exchange" and are, therefore, descriptive and/or generic words that are considered to be in the public domain and free for all to use. To allow the Appellants the exclusive right to use this term even in foreign currency transactions will prejudice others who are engaged in these transactions.

As correctly pointed out by the Appellee:

o. The Appellants' trademark "FOREX" is not registered for "money remittance business" but only for postal and parcel delivery services and door-to-door package delivery of personal effects. Had they included "money remittance business" in their application for registration of their trademark "FOREX" in this jurisdiction or elsewhere, they would have been required to disclaim "FOREX" for use in the said business in Class 36 as the term would clearly be generic for said business. The Appellee was in fact required and has complied with the Bureau of Trademark's directive to disclaim exclusivity of use of the word "FOREX".²


Accordingly, as the Appellee has disclaimed and is not seeking the exclusive use of "forex" apart from the subject trademark application of EASY FOREX READY. TRADE LOGO, the Appellants' opposition was properly dismissed. The trademark protection given to the Appellants FOREX marks is a form of monopoly which should be strictly construed and the boundaries of protection should not cover areas of public domain and common use. Hence, the related services where the Appellants are given the exclusive right to use FOREX do not include the services covered by the Appellee's trademark application. Otherwise, the Appellants' registration of FOREX would be contrary to the laws on trademarks.

Sec. 123.1 of the IP Code provides in part that a mark cannot be registered if it:

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

¹ The East Pacific Merchandising Corporation v. The Director of Patents, G. R. No. L-14377, 29 December 1960.

² COMMENT ON THE APPEAL dated 17 July 2013, page 10.


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(i) Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;


(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;



Significantly, the Appellee is not seeking trademark protection for FOREX but for the composite mark EASY FOREX READY. TRADE LOGO where FOREX was disclaimed. In this regard, the Appellee's mark is capable of distinguishing its business activities and protection may be given to this mark. 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.³

Wherefore, premises considered, the appeal is hereby dismissed. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

21 APR 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General


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