

MASTERCARD INTERNATIONAL INC.,
Petitioner,

-versus-

TACLOBAN WORLDSUN TRADING INC.,
Respondent-Registrant.

X-----X

IPC No. 14-2012-00363
Petition for Cancellation of:
Registration No.4-2009-005841
Date Issued: Nov. 07, 2010
TM: "ACACIA and Device"

NOTICE OF DECISION

VERALAW
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GREETINGS:

Please be informed that Decision No. 2015 - 269 dated December 01, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 01, 2015.

For the Director:

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

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Reg. No. 4-2009-005841
Date Issued: 07 November 2010

TM: ACACIA and DEVICE

Decision No. 2015- 269

DECISION

MASTERCARD INTERNATIONAL INC.,¹ ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2009-005841. The registration issued to TACLOBAN WORLDSUN TRADING INC.,² ("Respondent-Registrant"), covers the mark "ACACIA and DEVICE" for use on "electronic calculators, electronic desktop calculators" under Class 09 of the International Classification of Goods.³

The Petitioner alleges, among other things, that:

"6. Registration No. 4-2009-005841 for the trademark 'ACACIA and Device' issued in November 7, 2010 covering goods in Class 09 in the name of TaclobanWorldsun Trading Inc., should be cancelled, in accordance with Section 151.1 pars. (a) and (b), in relation to Section 123.1 pars (e) and (f) of R.A. 8293 otherwise known as the Intellectual Property Code of the Philippines.

"7. Sec. 155.1 pars. (a) and (b) authorizes, any person who will suffer damage by the continued existence of registration, to file a Petition for Cancellation.

x x x

"8. Section 123.1 pars (e) and (f) states what may not be registered, to wit:

x x x

Petitioner's evidence consists of the following:

1. Exhibit "A" - Legalized and authenticated Special Power of Attorney;
3. Exhibit "C" - printouts of the website <http://www.mastercard.com>;
4. Exhibits "D" - List of Petitioner's current registration for the "Interlocking Circles" mark;

¹A foreign corporation organized and existing under the laws of Illinois, U.S.A with principal office at 2000 Purchase Street, Purchase New York 10577-2509, U.S.A.

²A domestic corporation with principal business at No. 116 TreceMartirez St. Barangay 1 & 4, Tacloban City.

³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

5. Exhibits "E" - Copy of TM Registration No. 063546 for the mark MASTERCARD & GLOBE HOLOGRAM DESIGN issued by IPOPHL;
6. Exhibit "F" - Copy of TM Registration No. 4-1998-003209 for the mark MASTERCARD DESIGN issued by IPOPHL;
7. Exhibits "G" to "M" - Copy of TM Registrations for the various "INTERLOCKING CIRCLES DESIGN" issued by IPOPHL;
8. Exhibits "N" - Copy of TM Registration No. 026999 for the mark COLOR SPHERES DEVICE issued by IPOPHL;
8. Exhibit "O" - Copy of TM Registration No. 4-2006-500229 for the mark THREE CIRCLE DESIGN IN COLOR issued by IPOPHL;
9. Exhibit "P" - Copy of TM Registration No. 4-1995-099621 for the mark MASTERCARD & DESIGN issued by IPOPHL.
10. Exhibit "Q" - Copy of TM Registration No. 4-2000-005583 for the mark OVERLAPPING CIRCLES DESIGN issued by IPOPHL;
11. Exhibits "R" - Copy of TM Registration No. 4-2000-003332 for the mark MASTERCARD ELECTRONIC & DESIGN issued by IPOPHL;
12. Exhibit "S" - Copy of TM Registration No. 4-2006-500228 for the mark THREE CIRCLES DESIGN issued by IPOPHL;
13. Exhibit "T" - Copy of TM Registration No. 4-2010-501744 for the mark 1997 MAESTRO DESIGN by IPOPHL;
14. Exhibit "U" -a Copy of TM Registration No. 4-2009-005841 for the mark ACACIA AND DEVICE issued to Respondent-Registrant; and
15. Exhibits "V" - Copy of the Affidavit Direct Testimony of Colm J. Dobbyn with Annexes.

This Bureau issued on 22 January 2013 a Notice to Answer served a copy thereof to the Respondent-Registrant on 25 January 2013. On 11 February 2013, Respondent-Registrant filed its Answer alleging the following Special and Affirmative Defenses:

"6. Respondent-Registrant is a domestic corporation engaged in the business of wholesale, retail, distribution and manufacture of Electronic Calculators and Electronic Desktop Calculators;

"7. On 15 June 2009, Respondent-Registrant applied for the registration of the subject mark 'ACACIA and DEVICE' covering the following goods: 'Electronic Calculators and Electronic Desktop Calculators' under Class 09 with Application No. 4-2009-005841.

"8. Being in the business of selling mathematical gadgets specifically the electronic calculator, the Respondent-Registrant deemed it fit to pattern its design to the 'infinity' symbol, a mathematical figure, otherwise viewed as the 'horizontal eight', eight being a lucky number, with the infinity symbol connoting endless opportunities. Within the center of the horizontal eight is the inscription of the word 'ACACIA' in small letters and in the shade or red, an image of the map of Asia with the bodies of water in shades of blue at the left portion, as well as the color shades of yellow and orange which served as the dominant colors particularly at the right side of the figure to represent the sun.

"9. On 07 November 2010, Respondent-Registrant's application for registration of the subject mark 'ACACIA and DEVICE' was approved by the Honorable Intellectual Property Office.

"10. Thereafter Petitioner filed the instant Petition for Cancellation of the registration of the mark 'ACACIA and DEVICE' claiming that the Respondent-Registrant's mark is identical or confusingly similar with its very own 'Interlocking Circles' mark registered in the name of MasterCard International, Inc. covering Financial Services, Banking and Credit Services.

"11. The two (2) marks as illustrated below, will readily show the distinctive difference between the Respondent-Registrant's 'horizontal eight' or 'infinity' mark and the Petitioner's 'Interlocking Circles' as follows:

x x x

"12. It is worthy to state that there are glaring differences in the mark of both Petitioner, MasterCard International, Inc., and the mark belonging to the respondent-registrant. Both marks do not only differ in color, presentation and device, the connotation of both symbols of the Petitioner's claims that their symbols represent 'Interlocking Circles' whereas the symbol of respondent-registrant is known as the 'horizontal eight' or the 'infinity sign'. Hence, the Respondent-Registrant's mark differs in sound, spelling, meaning, style and appearance from that of the Petitioner's mark.

x x x

"15. It is worthy to state that respondent's business does not in any way compete with the business of petitioner and as such it is impossible that confusion is likely to occur considering that: (a) the nature and operation of the business are totally distinct from each other, respondent-registrant's business covers the sale of goods in Class 09, more specifically electronic calculators, electronic desktop calculators and the like, whereas petitioner's business is engaged in services; and (b) in the conceptualization of its design or trademark, respondent drew its inspiration not from the mark of 'interlocking circles' on the infinity symbol which is very apt for the products or the goods it sells.

"16. A look at the law cited by the Petitioner as basis for its petition to cancel respondent's registration of the mark 'Acacia and Device' specifically Section 123.1 pars. (e) of R.A. 8293 which provides, to wit:

x x x

would show that the said proviso does not apply in the case at bar because the alleged identical or confusingly similar mark, albeit respondent strongly disagrees, is not being used for identical or similar goods or services. As earlier pointed out by respondent-registrant, the nature of their businesses are not in anyway identical considering that as admitted by the Petitioner, their trademark is being used in connection with financial services and banking and credit services, while the respondent-registrant's trademark of the 'horizontal eight' with the clear marking of 'ACACIA' is being used in connection with respondent's business of selling goods in Class 9 or specifically electronic calculators.

17. With respect to paragraph (f) of the same section which reads:

x x x

again, respondent most respectfully submits that the same proviso does not likewise apply in the case at bar because: (1) the use of the disputed mark does not in any way indicate any connection between the services petitioner, MasterCard, provides with the financial, banking and credit services and the goods which respondent-registrant offers; and (2) there is no showing as to how the interest of the petitioner, MasterCard, would be damaged by respondent-registrant's use of its trademark.

x x x

"19. Clearly, Respondent-Registrant did not commit any trademark infringement in as much as the 'horizontal - eight' or 'infinity symbol' inspired trademark with the inccribed 'ACACIA' is being used for its goods whereas, petitioner's 'interlocking circles device' is the trademark for its services. Considering, that ine of the trademark promotes goods whereas the other promotes services, there is no likelihood of any of the possible confusion, particularly in light of the very clearly inscribed words 'ACACIA'."

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 04 April 2013. However, during the mediation conference, Petitioner failed to appear. On 23 April 2013, Respondent-Registrant filed a Motion to Dismiss for failure of the Petitioner to appear during the mediation conference. Petitioner on 29 April 2013 filed a Manifestation explaining that its authorized representative came to attend the mediation conference, but when he arrived, counsel for Respondent-Registrant already left. On 18 June 2013, this Bureau denied the Motion to Dismiss. Then after, on 31 October 2013, the Bureau's ADR Services submitted a report that the parties failed to settle amicably. During the preliminary conference on 21 January 2014, the parties manifested that there is still a possibility for settlement of the case. The parties were given time to file a manifestation on this matter. On 21 February 2014, Respondent-Registrant filed its Position Paper. On 07 April 2014, Petitioner filed its Comment thereto.

Should Trademark Registration No. 4-2009-005841 for the mark ACACIA AND DEVICE be cancelled?

Section 138 of the IP Code provides, to wit:

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.

Since a certificate of registration is merely prima facie evidence of the validity of registration, it may be challenged. The presumption can be overcome, in an appropriate action, by proof of the nullity of the registration. In this regard, Section 151 of the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of 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:

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. xxx

Petitioner submitted various certificates of registration of the different variants of its mark MasterCard Designs including MASTERCARD superimposed in interlocking circle design; the interlocking circles design in different color combination like blue and blue, red and yellow; the interlocking circle design in black and the three circle device, for classes 9⁴ and 36⁵. The earliest registration of the mark here in the Philippines is dated 13 August 1996. On the other hand, Respondent-Registrant submitted its Trademark Registration No. 4-2009-005841 for ACACIA and DEVICE issued on 07 November 2010 which consist of "two circles with the map of Asia in the first circle and a representation of the sun in the second circle with the word Acacia in color red inscribed at the center of the two circles" for use specifically on electronic calculators, electronic desktop calculators under class 9.

Petitioner cites as ground Sec. 123.1 (e) and (f) of the IP Code, which provides:

Section 123.Registrability. - 123.1. A mark cannot be registered if it:

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use;

The prohibition under the above quoted provision applies only if the competing marks are identical or confusingly similar. In this regard, the marks of the parties are depicted below for comparison:



Petitioner's Mark



Respondent-Registrant's Mark

⁴magnetic encoded cards and cards containing an integrated circuit chip (smart card); card readers, computer software designed to enable smart cards to interact with terminals and readers; telecommunications equipment, namely point of sale transaction terminals and computer software for transmitting, displaying and storing transaction, identification and financial information for use in the financial services, banking and telecommunications industries.

⁵financial services, namely, providing credit card, debit card, charged card and stored value electronic purse services, electronic funds and currency transfer services; electronic payment services; prepaid telephone calling card services, cash disbursement services, and transactions authorization and settlement services.

A handwritten signature in black ink, appearing to be "A. Z.", located in the bottom right corner of the page.

While there is similarity between the marks, the marks are still not confusingly similar. Petitioner mark consists of the word MASTERCARD while Respondent-Registrant's mark uses the word ACACIA. As to the device used, it would appear that they both use two circles where the word Mastercard and Acacia are superimposed. However, the graphical representations of these circles are also different. In Petitioner's mark, the circles are interlocking while in Respondent-Registrant's mark the circles are overlapping. The interplay of colors as used in the mark is also different. Furthermore, Respondent-Registrant's mark has map in the left circle thus making the difference in Petitioner's mark more apparent. Because of the noticeable differences observed in the respective marks, the marks cannot be said to be confusingly similar to each other.


Further, the goods to which the parties use their respective marks are also not similar. Respondent-Registrant's mark ACACIA and Device is used on goods that are confined to electronic calculators and electronic desktop calculators while Petitioner's mark MASTERCARD is used on magnetic cards such as credit cards and card readers as well as for banking, financial and credit services which Respondent-Registrant does not deal with. As such, the use of the marks in these goods will not likely cause confusion, mistake or deception on the part of the public that the goods of Respondent-Registrants are manufactured by or sourced from Petitioner or vice versa.

Aptly, 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.⁶ Respondent-Registrant's mark met this function and therefore there is no ground or basis for which Respondent-Registrant mark should be canceled.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **DENIED**. Let the filewrapper of Trademark Reg. No. 4-2009-005841 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 01 December 2015.


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

⁶See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.