

**PARAMOUNT LIFE & GENERAL  
INSURANCE CORPORATION,**  
Opposer,

**-versus-**

**CHINA BANK SAVINGS, INC.,**  
Respondent- Applicant.

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**IPC No. 14-2012-00574**  
Opposition to:  
Appln. Serial No. 4-2012-008422  
Date Filed: 11 July 2012  
**TM: "MADALING KAUSAP"**

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**NOTICE OF DECISION**

**OFFICE OF BAGAY-VILLAMOR & FABIOSA**

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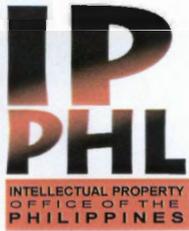
**GREETINGS:**

Please be informed that Decision No. 2016 - 102, dated April 07, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 07, 2016.

For the Director:

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



**PARAMOUNT LIFE & GENERAL  
INSURANCE CORPORATION,**

Opposer,

-versus-

**CHINA BANK SAVINGS, INC.,**  
Respondent-Applicant.

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IPC No. 14-2012-00574

Opposition to Trademark  
Application No. 4-2012-008422

Date Filed: 11 July 2012

Trademark: **MADALING KAUSAP**

Decision No. 2016- 102 -

### DECISION

Paramount Life & General Insurance Corporation<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-008422. The contested application, filed by China Bank Savings, Inc.<sup>2</sup> ("Respondent-Applicant"), covers the mark "MADALING KAUSAP" for use on "*banking and financing services*" under Class 36 of the International Classification of Goods<sup>3</sup>.

The Opposer maintains that it started adopting and continuously using the mark "MADALING KAUSAP" for its insurance services since 14 January 2009. It contends that the Respondent-Applicant's mark is confusingly similar to its own especially that the two are used for closely-connected classes of services, banking and insurance, both belonging to Class 36. In support of its Opposition, the Opposer submitted the following:<sup>4</sup>

1. screenshot of its website;
2. original copies of advertisements in different magazines and newspapers;
3. copy of its trademark application for "MADALING KAUSAP"; and
4. copy of the Respondent-Applicant's trademark application for "MADALING KAUSAP".

The Respondent-Applicant filed its Answer on 26 April 2013 alleging that its company is a private, stock corporation engaged in the business of saving and mortgage banking and authorized to engage in the business of trust company, foreign currency deposit unit operations and to act as government securities dealer. According to the Respondent-Applicant, its thrift banking business expanded and

<sup>1</sup>A corporation duly organized and existing under the laws of the Philippines.

<sup>2</sup> A domestic corporation organized under the laws of the Philippines with address at 6772 Ayala Avenue, Makati City

<sup>3</sup>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.

<sup>4</sup> Marked as Exhibits "A" to "D", inclusive.

Republic of the Philippines  
INTELLECTUAL PROPERTY OFFICE

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grew over the years. When it was launched on 08 September 2008, it initially offered the following products bearing the term "EASI" from the word "easy": (1) Easi-Save ATM, (2) Easi-Save Passbook, (3) Easi-Save Loaded, (4) Easi-Checking, and (5) Easi-Earn. It intended "Easi" to be the distinguishing feature of its products. The same is also consistent with its tagline "We Make Banking Easy for You". In 2009, it launched the following additional products using the term "EASI": (1) Easi-Drivin' Auto Loan, (2) Easi-Earn High-Five, (3) Easi-Save for Kids and (4) Easi-Checking with Diary and in 2010, "EASI-SAVE BASIC".

The Respondent-Applicant claims that on 10 November 2011, it came up with a major decision to rebrand and hired TBWA Santiago Mangada Puno/Tequila Manila for this purpose. It avers that in the course of the re-branding exercises, the participants specifically mention China Bank, its mother bank, and being non-Chinese account holders, they felt the idea alienating to them. Thus, there was a proposal that the marketing materials, especially the tagline, be in Filipino language and the following are suggested: "*Pagaanin nating ang buhay*", "*Tapat sa pangangailangan mo*", "*Madali ang usapan*" and "*Para sa pangarap mo*". It alleges that its Management Committee decided that the tagline "*Madali ang usapan*" best captures the image it intends to project to its customers and also consistent with its "EASI" feature and original tagline, "We Make Banking Easy For You". The same Committee later modified the said tagline to "MADALING KAUSAP" believing the same sounded better and more positive.

The Respondent-Applicant moreover states that the Management Committee's decision to adopt "MADALING KAUSAP" prompted a search of possible conflicting trademarks with the database of this Office. Since the search yielded no such conflicting mark, it proceeded with the filing of the application on 11 July 2012. In the same month, it launched its new name CBS China Bank Savings, Inc. It alleges to have spent substantial time, money and resources in the adoption of the Filipino slogan "MADALING KAUSAP".

The Respondent-Applicant asserts that the competing marks are not confusingly similar. It contends that the Opposer always uses "MADALING KAUSAP" in conjunction with the latter's website address and/or full corporate name while it uses the mark in stylized form with red background together with "CBS China Bank Savings" and other corporate devices. The Respondent-Applicant's evidence consists of the affidavit of Janice S. TY, with annexes.<sup>5</sup>

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. This Bureau's Alternative Dispute Resolution Services, however, submitted a report that the parties refused to mediate. Accordingly, a Preliminary

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<sup>5</sup> Marked as Exhibit "1", inclusive.

Conference was conducted on 01 July 2013 and upon termination thereof, the Hearing Officer directed the parties to submit their respective position papers.

The issue to be resolved is whether the trademark "MADALING KAUSAP" should be registered in favor of the Respondent-Applicant.

To determine whether the competing marks are confusingly similar, the two are reproduced hereafter for comparison:

**Madaling Kausap.**  
www.paramount.com.ph

*Opposer's mark*

A black rectangular box containing the words "Madaling Kausap" written in a white, cursive, handwritten style.

*Respondent-Applicant's mark*

What impresses the eyes and mind when one looks at the Opposer's mark is the phrase "MADALING KAUSAP". Looking at the Respondent-Applicant's mark, the same conclusion can be withdrawn. That the Opposer's mark is underlined and includes [www.paramount.com.ph](http://www.paramount.com.ph) underneath the word "KAUSAP" does not make the marks any less confusing. After all, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other.<sup>6</sup> Succinctly, since the competing trademarks both refer to goods under Class 36, the likelihood of confusion, mistake and/or deception is higher.

Records show that the Respondent-Applicant filed the contested application on 11 July 2012. On the other hand, the Opposer filed its application for the mark "MADALING KAUSAP" only on 08 November 2012. Therefore, the Respondent-Applicant filed the earlier application.

Aptly, the Opposer disputes the right of the Respondent-Applicant to register the contested mark on the issue of ownership.

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<sup>6</sup> Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 15 of the TRIPS Agreement reads:

**Section 2: Trademarks**  
**Article 15**  
**Protectable subject Matter**

- 1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.**
- 2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).**
- 3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.**
- 4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.**
- 5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.**

Further, Article 16 (1) of the TRIPS Agreement states:

- 1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall**

***not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.***

Significantly, Section 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

***"121.1. 'Mark' means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)"***

Section 122 of the IP Code states:

***"Sec. 122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)"***

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

Corollarily, Section 138 of the IP Code provides:

***"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 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."*** (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.<sup>7</sup> The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In **Shangri-la**

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<sup>7</sup> See Section 236 of the IP Code.

**International Hotel Management, Ltd. vs. Developers Group of Companies**<sup>8</sup>, the Supreme Court held:

***"By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark applied for, he has no right to apply the registration off the same."***

Corollarily, a registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**<sup>9</sup>, the Supreme Court made the following pronouncement:

***"The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means if its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of 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. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce."***

In this case, the Opposer proved that it has used and appropriated the mark "MADALING KAUSAP" even before the Respondent-Applicant filed the contested application. It presented advertising materials featuring its "MADALING KAUSAP" mark published as early as 2009.<sup>10</sup> On the other hand, the Respondent-Applicant admits that it decided to re-brand only in 2011, from which point the suggestion to use the tagline "MADALING KAUSAP" came up. No evidence that the Respondent-Applicant has used or applied the said mark before the said period was presented. Since banking and insurance are related services, it is not farfetched that the Opposer's clients will be led to believe when they encounter the Respondent-Applicant's "MADALING KAUSAP" mark that the company has expanded business and is offering new products and/or services, and vice-versa.

<sup>8</sup> G.R. No. 159938, 31 March 2006.

<sup>9</sup> G.R. No. 183404, 13 October 2010.

<sup>10</sup> Exhibits "B" series.

Succinctly, the intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services. To allow Respondent-Applicant to register the subject mark, despite its bad faith, will trademark registration simply a contest as to who files an application first with the Office.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2012-008422 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 07 April 2016.



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