

3M COMPANY

Petitioner,
- versus -

AMALGAMATED SPECIALTIES CORP.,
Respondent.

X-----X

IPC NO. 14-2010-00106

Cancellation of:
Reg. No. 4-2002-003171
Date Issued: 14 April 2005

TM: "MAGIC GLUE"

Decision No. 2011-39

DECISION

3M Company ("Petitioner"), a corporation duly organized under the laws of the State of Delaware, U.S.A., with principal office at 3M Center, 2501 Hudson Road, St. Paul, Minnesota, 55144, U.S.A., filed on 26 May 2010 a Petition for cancellation of Trademark Registration No. 4-2002-003173. The trademark registration, issued on 14 April 2005 to Amalgamated Specialties Corporation, ("Respondent-Registrant"), a domestic corporation, with address at Rm. 21 West Service Road, South Super Highway, Muntinlupa City, covering the mark "MAGIC GLUE" for use in "glue" under Class 16 of the International Classification of goods. The Petitioner alleges the following:

1. Petitioner is the owner and first user of the trademark MAGIC ('Petitioner's MAGIC Mark') covering goods in Class 16 in the United States since 1957 and in the Philippines and other countries long before Respondent-Registrant appropriated the identical/confusingly similar mark MAGIC GLUE for its own goods also in Class 16. As a trademark of foremost importance, Petitioner currently owns 39 registrations for the MAGIC Mark covering more than 55 countries, territories and jurisdictions around the world. Petitioner has likewise applied for the registration of the Petitioner's MAGIC mark in 10 countries, territories and jurisdictions.
2. 'MAGIC', the dominant element of Respondent-Registrant's MAGIC GLUE mark is identical with the Petitioner's MAGIC mark as to be likely, when applied to or used in connection with the goods of Respondent-Registrant, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Respondent-Registrant's goods either come from Petitioner or are sponsored or licensed by it.
3. The registration and used by Respondent-Registrant of the MAGIC GLUE mark will diminish the distinctiveness and dilute the goodwill of the Petitioner's MAGIC mark, which is an arbitrary trademark when applied to Petitioner's products.
4. Respondent-Registrant adopted the MAGIC GLUE mark on its own goods with the obvious intention of misleading the public into believing that its goods bearing said trademark originate from, or are licensed or sponsored by Petitioner, which has been identified in the trade and by consumers as the source of goods bearing the identical/confusingly similar MAGIC mark.
5. Petitioner is the first user of the Petitioner's MAGIC mark in the Philippine commerce and elsewhere, having utilized the same extensively for in the Philippines since January 1, 1990. MAGIC mark is so popular and has come to be associated with numerous products of the finest quality. Respondent-Registrant's use of an identical/confusingly similar mark of its own products is likely to cause consumer confusion as to the origin of said goods.
7. Respondent-Registrant's use of the MAGIC GLUE mark infringes upon Petitioner's exclusive right to use the MAGIC mark, which is a well-known

trademark protected under the Section 123.1(e) of the Intellectual Property Code ('IP Code'), Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of the Intellectual Property Rights to which the Philippines and United States of America adhere.

The Petitioner's evidence consists of the following:

1. Exh. "A" -Excerpts from Articles of 3M Company and about books relating thereto;
2. Exh. "B" –Details pertaining to the Petitioner's registrations for its mark MAGIC;
3. Exh. "C" to "C-13" – Sampling of Certificates of Registration for the Petitioner's MAGIC mark;
4. Exh. "D" – Copy of Petitioner's application No. 42006011786;
5. Exh. "E" to "E-14" – Petitioner's prior use of registrations and extensive international fame for its mark MAGIC;
6. Exh. "F" – Samples of advertising materials/products brochures from around the world;
7. Exh. "G" – printouts of pages from the Petitioner's website;
8. Exh. "H" to "H-11" – sample clippings of advertisements and articles from newspapers and magazines;
9. Exh. "I" – Declaration of Actual use;
10. Exh. "J" – Commercial invoices showing sales of the products in the Philippines; and
11. Exh. "K" to "K-25" – Samples of advertising materials/products brochures and catalogs from the Philippines.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent Applicant on 20 July 2010. However, the Respondent-Registrant did not file its Answer. Hence, under Rule 2, Sec. 11 of the Regulations on Inter Partes Proceedings, as amended, the case was deemed submitted for decision on the basis of the petition and evidence submitted by the Petitioner.

Is the Petitioner's mark well-known?

Rule 102 of the Trademark Regulation sets forth the criteria in determining whether a mark is considered to be well-known to wit:

Rule 102. *Criteria for determining whether a mark is well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) The duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services which the mark applies;

- (b) The market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) The degree of the inherent or acquired distinction of the mark;
- (d) The quality-image or reputation acquired by the mark;
- (e) The extent to which the mark has been registered in the world;
- (f) The exclusivity of registration attained by the mark in the world;
- (g) The extent to which the mark has been used in the world;
- (h) The exclusivity of use attained by the mark in the world;
- (i) The commercial value attributed to the mark in the world;
- (j) The record of successful protection of the rights in the mark;
- (k) The outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) The presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

The records and evidence show that the Petitioner first used the mark MAGIC on goods in Class 16 in the United States since 1957, and has registered it in the said country on 14 July 1987 under Registration No. 1,447,458. It has applied for the registration and/or has obtained registrations for the mark in many countries and has been using it in over 55 countries, including the Philippines. The evidence further shows that the Petitioner has extensively and continuously promoted and advertised the mark in many newspapers, magazines.

Accordingly, the pieces of evidence submitted by the Petitioner constitute at least a combination of the criteria set forth in Rule 102 of the Trademark Regulations. Thus, the MAGIC mark of its Petitioner is considered well-known under the said rule. Moreover, this Bureau in the Decision No. 2011-27 in IPC No. 14-2010-00107 promulgated on 25 March 2011, declared, among other things, the Opposer's mark as well-known.

Now, the question to be answered is should the Trademark Reg. No. 4-2002-003173 be cancelled?

The presence of the word GLUE in the Respondent-Registrant's mark, which the said party disclaimed, is of no moment. The main and prominent feature of the Respondent-Registrant's mark is the word MAGIC, which is exactly the Petitioner's mark. This is what drawn eyes and appeals to the ears of the consumers.

This Bureau also finds that the goods covered by Reg. No. 40-2002-003173 is closely related to one of the goods or products on which the Petitioner's mark is attached, particularly, adhesives. Even the other goods of the Petitioner, which include paper products, are related to the Respondent-Registrant's. Paper products, adhesives and glue are common office or school supplies, which use or application also finds way into homes. And whether procured as office or school supplies, or bought for household use, these goods are usually found in the same class of store or the same section or corner of department stores. In *Societe Des Produits Nestle, S.A. v. Court of Appeals, et al*, the Supreme Court, held:

“However, in *Esso Standard Eastern, Inc. vs. Court of Appeals, et al.* L-29971, Aug. 31, 1982, the Supreme Court took the occasion of discussing what is implied in the definition of ‘infringement’ when it stated: ‘Implicit in this definition is the concept that the goods must be so related that there is likelihood either of confusion of goods or business. x x x’ But as to whether trademark infringement exists depends for the most part upon whether or not the goods are so related that the public may be, or is actually, deceived and misled that they came from the same maker or manufacturer. For non-competing goods may also be those which, being entirely unrelated, could not reasonably be assumed to have a common source. In the case of related goods, confusion of business could arise out of the use of similar marks; in the latter case of non-related goods, it could not.

“Furthermore, in said case the Supreme Court as well discussed on when goods may become so related for purposes of infringement when it stated: ‘Goods are related when they belong to the same class or have same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. x x x’ “

It is likely, therefore, that the consumers will confuse one party’s product with that of the other. Moreover, the consumers will have the impression that these products originate from a single source or the origin thereof are connected or associated with one another. The likelihood of confusion therefore, would subsist not only on the purchaser’s perception of goods but on the origin thereof as held by the Supreme Court, to wit.

“Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchasers would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant’s goods are then bought as the plaintiff’s and the poorer quality of the former reflects adversely on the plaintiff’s reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant’s product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.”

Accordingly, the competing marks as belonging to two different proprietors should not be allowed to co-exist. The essence of trademark registration is to give protection to the owner’s 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 fruits 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 of his product.

Sec. 138 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”) provides:

“identical with, or confusingly similar to, or constitute a translation of a mark 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 a 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.”

It is incredible that the Respondent-Registrant came up with a mark that is practically to the Petitioner’s on pure coincidence. The field from which a person may select a trademark is

practically unlimited. As in all other case of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Respondent-Registrant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.

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 and services.

WHEREFORE, premises considered, the instant Petition for cancellation is hereby GRANTED. Let the filewrapper of the Trademark Registration No. 4-2002-003173 be returned, together with a copy of this Decision, to the Bureau of Trademark (BOT) for information and appropriate action.

SO ORDERED.

Makati City, 13 April 2011.

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