

3M COMPANY

Petitioner,
- versus -

TOPLINE PAPER, INCORPORATED,
Respondent.

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IPC NO. 14-2010-00107

Cancellation of:
Reg. No. 4-2001-08441
Date Issued: 02 Oct. 2006

TM: "MAGIC"

Decision No. 2011-27

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 Hudeon Road, St. Paul, Minnesota, 55144, U.S.A., filed on 26 May 2010 a Petition for the cancellation of Trademark Registration No. 4-2001-08441. The registration, issued on 02 October 2006 to Topline Paper, Incorporated ("Respondent-Registrant"), a domestic corporation located at Brgy. 163 Zone 14 District 4, M. Bartolome St., Tandang Sora Avenue Extension, Kaloocan City, covers the mark "MAGIC" for use on "*paper and paper articles specially pad paper, tong pad, quiz pad, writing pad, Steno Notebook, special Notebook and composition Notebook and cut sizes bond paper*" 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 for its own goods also in Class 16. As a trademark of foremost importance, Petitioner currently owns 39 registrations for the Petitioner's 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. The Respondent-Registrant's MAGIC mark so resembles, and is nearly 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 use by Respondent-Registrant of the Respondent-Registrant's MAGIC 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 Respondent-Registrant's MAGIC mark on its own goods with the obvious intention of misleading the public into believing that its goods bearing said trademark originated 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 Petitioner's MAGIC mark.
5. The approval of the Respondent-Registrant's MAGIC mark is based on the representation that it is the originator, true owner and first user of the trademark, which was merely derived or copied from the Petitioner's MAGIC mark.
6. 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. Petitioner's 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 for its own products is likely to cause consumer confusion as to the origin of said goods.

7. Respondent-Registrant's use of the Respondent-Registrant's MAGIC Mark infringes upon Petitioner's exclusive right to use the Petitioner's MAGIC Mark, which is a well-known trademark protected under 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 Intellectual Property Rights to which the Philippines and United States of America adhere.
8. The registration of the Respondent-Registrant's MAGIC Mark is contrary to other provisions of the IP Code.

The Opposer'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 company's registrations for the MAGIC MARK;
3. Exh. "C-1" – U.S.A. Reg. No. 1447458 issued on July 1987;
4. Exh. "C-2" – Morocco Reg. No. 65027 issued on January 1998;
5. Exh. "C-3" – Austria Reg. No. 53434 issued on 12 October 1964;
6. Exh. "C-4" – Canada Reg. No. 325395 issued on March 1987;
7. Exh. "C-5" – France Reg. No. 1403004 issued on 28 February 1962;
8. Exh. "C-6" – Mexico Reg. No. 352161 issued on 25 November 1987;
9. Exh. "C-7" – United Kingdom Reg. No. 1234211 issued on 24 January 1985;
10. Exh. "C-8" – Singapore Reg. No. T90/06741D issued on 28 September 1990;
11. Exh. "C-9" – New Zealand Reg. No. B215992 issued on 04 February 1992;
12. Exh. "C-10" – Colombia Reg. No. 147037 issued on 28 December 1993;
13. Exh. "C-11" – Peru Reg. No. 417 issued on 23 June 1993;
14. Exh. "C-12" – Saudi Arabia Reg. No. 289/43 issued on 25 July 1993;
15. Exh. "C-13" – Israel Reg. No. 84819 issued on 06 April 1995;
16. Exh. "D" – Copy of the company's application No. 42006011;
17. Exh. "E" – Magic mark use in over 55 countries;
18. Exh. "E-1" – Commercial invoice issued in U.S.A.;
19. Exh. "E-2" – Commercial invoice issued in France;
20. Exh. "E-3" – Commercial invoice issued in Hong Kong;

21. Exh. "E-4" – Commercial invoice issued in Singapore;
22. Exh. "E-5" – Commercial invoice issued in New Zealand;
23. Exh. "E-6" – Commercial invoice issued in Israel;
24. Exh. "E-7" – Commercial invoice issued in United Arab Emirates;
25. Exh. "E-8" – Commercial invoice issued in Australia;
26. Exh. "E-9" – Commercial invoice issued in Peru;
27. Exh. "E-10" – Commercial invoice issued in Mexico;
28. Exh. "E-11" – Commercial invoice issued in El Salvador;
29. Exh. "E-12" – Commercial invoice issued in Puerto Rico;
30. Exh. "E-13" – Commercial invoice issued in Canada;
31. Exh. "E-14" – Commercial invoice issued in Guatemala;
32. Exh. "F" – Sample of advertising materials/products brochures from around the World promoting the company's product bearing the mark MAGIC MARK;
33. Exh. "G" – Printouts of pages from the Petitioner's website;
34. Exh. "H" – Sample clippings of advertisements and articles from newspapers and magazines;
35. Exh. "H-1" – Article from newspaper named Women's journal;
36. Exh. "H-2" – Article from newspaper Business Mirror;
37. Exh. "H-3" – Article from newspaper Business World;
38. Exh. "H-4" – Article from newspaper Women's Journal;
39. Exh. "H-5" – Article from newspaper Business Mirror;
40. Exh. "H-6" – Article from newspaper Business World;
41. Exh. "H-7" – Article from newspaper Women's Journal Show Wise Section;
42. Exh. "H-9" – Article from Manila Standard Today, Lire Home & Family Section;
43. Exh. "H-10" – Article from Business Mirror Events;
44. Exh. "H-11" – Article from Daily Tribune;
45. Exh. "I" – Declaration of Actual use;
46. Exh. "J" – Commercial invoices issued in the Philippines;
47. Exh. "K" – Sample of advertising, brochures, catalog;

48. Exh. "K-1" – 3M Office products;
49. Exh. "K-2" – Office value deals, coupon;
50. Exh. "K-3" – 3M products for productivity brochures;
51. Exh. "K-4" – Green paid advertisement;
52. Exh. "K-5" – Making difference in practice in Law brochures;
53. Exh. "K-6" – National Book Store catalog;
54. Exh. "K-7" – National Book Store catalog;
55. Exh. "K-9" – Office 1 catalog;
56. Exh. "K-10" – Lawyers Review Magazine;
57. Exh. "K-11" – Office products catalog;
58. Exh. "K-12" – Summit Books;
59. Exh. "K-13" – Supply Link Philippine Institute for Supply Management;
60. Exh. "K-14" – Supply Link Philippines;
61. Exh. "K-15" – Annual Conference;
62. Exh. "K-16" – Special Display;
63. Exh. "K-17" – Christmas program displays;
64. Exh. "K-18" – Magic Tape Christmas Tower;
65. Exh. "K-19" – Scotch Magic Tape;
66. Exh. "K-20" – Back-to-school campaign;
67. Exh. "K-21" – 3M Customer technical center outdoor billboard;
68. Exh. "K-22" – Outdoor billboard;
69. Exh. "K-23" – National Book Store Calendar;
70. Exh. "K-24" – 2009 National Book Store Calendar; and
71. Exh. "K-25" – 2010 National Book Store Calendar.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Registrant on 22 July 2010. However, the Respondent-Registrant did not file its Answer. Hence, under Rule 2 Sec. 11 of the Regulations on Inter Partes Proceedings, the case is now deemed submitted for decision on the basis of the opposition 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 accounts:

- (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 to which the marks 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 marks;
- (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 U.S.A. since 1957, and has registered it in the said country on 14 July 1987 under Reg. No. 1,447,458; applied for the registration and/or has obtained registrations for mark in many countries and has been using it in over 55 countries, including the Philippines; and 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 the Petitioner is considered well-known under the said rule.

Now, the question to be answered is should Trademark Reg. No. 4-2001-08441 issued to the Respondent-Registrant be cancelled?

It is undisputed that the competing marks are identical in all aspects. They have the same spelling, meaning and pronunciation. This Bureau also finds that the goods covered by the Respondent-Registrant's mark are similar and/or closely related to the goods on which the Petitioner's mark is used. Thus, because the competing marks are identical and are used on similar and/or closely related goods, it is likely 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 thereof, would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme.

“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 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.”

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 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 of his products.

Section 138 R.A. No. 8239, (“IP Code”) provides:

Sec. 138 Certificate of Registration – A certificate of registration of a mark should 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.

Corollarily, Section 151 IP Code, states in part that:

Sec. 151 Cancellation – 151.1. A petition to cancel a 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. x x x

Thus, the law allows any person, like the petitioner in this instance, to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. As discussed above, there is a likelihood of confusion as to the goods as well as to the origin thereof.

Once filed, a cancellation proceeding becomes basically, a review of the trademark registration in question to determine if the legal requirements for registration have been fully satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the Trademark Registry would damage the petitioner. The Supreme Court held:

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

“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 tradename. Evidence of prior and continuous use of the mark or tradename by another can overcome the presumptive

ownership of the registrant and may very well entitle the former to be declared the owner in an appropriate case.”

Again, the record and evidence support a conclusion that the Petitioner is the entity that conceived, or came up with the mark “MAGIC” long before the Respondent-Registrant filed a trademark application for an identical or similar mark. The Petitioner’s claim of ownership of the contested mark therefore is superior to that of the Respondent-Registrant’s. The Respondent-Registrant despite the opportunity did not even bother to explain its side of the issue and submit evidence.

Thus, considering that the mark MAGIC is already in use, and thus owned by the Petitioner prior to the Respondent-Registrant’s filing of a trademark application for the same or identical marks, the latter cannot claim ownership thereof. Consequently, the Respondent-Registrant had no right to register the mark.

Moreover, Sec. 123.1 (e) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”) provides that a mark shall not be registered if it is,

“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 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 exactly, or almost exactly the same as the Petitioner’s on pure coincidence. The field from which a person may select a trademark is practically unlimited. As in all other cases 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 or services.

WHEREFORE, premises considered, the instant Petition for cancellation is hereby GRANTED. Let the file wrapper of the Trademark Application Serial No. 4-2001-08441 be returned, together with a copy of this Decision, to the Bureau of Trademark (BOT) for information and appropriate action.

SO ORDERED.

Makati City, March 23, 2011.

ATTY. NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office