



PAYPAL, INC.,
Opposer,

-versus-

NEW STANDARDS HOLDINGS, LTD.,
Respondent-Applicant.

X ----- X

IPC No. 14-2012-00601
Opposition to Trademark
Application No. 4-2012-008098
Date Filed: 05 July 2012
Trademark: "PAYPIL"

Decision No. 2014- 48

DECISION

Paypal, Inc.¹ ("Opposer") filed on 20 February 2013 an opposition to Trademark Application Serial No. 4-2012-008098. The contested application, filed by New Standards Holdings, Ltd.² ("Respondent-Applicant"), covers the mark "PAYPIL" for use on "*monetary affairs*" under Class 36 of the International Classification of Goods³.

Opposer objects the allowance of the Respondent-Applicant's application mainly because the mark "PAYPIL" is allegedly confusingly similar to its mark "PAYPAL". It maintains that it is the owner of the trademark "PAYPAL" and its logo mark, which are covered by Certificate of Registration Nos. 4-2003-001017 and 4-2007-004096, respectively. It avers that it has trademark applications and/or registrations in at least thirty-eight (38) countries worldwide long before Respondent-Applicant filed an application for registration of the mark "PAYPIL". It asserts that through years of international marketing and promotion, its mark has become internationally well-known and has acquired worldwide goodwill. Opposer claims that in the Philippines, over 1.4 million accounts were set up since 2004 and over 7 million payment transactions were made from 2007-2011.

In support to its Opposition, the Opposer submitted the following as evidence:

1. profile of Paypal⁴;
2. table of Paypal trademark registrations and applications⁵;
3. copy of trademark registrations in the Philippines⁶; and,

¹ A corporation duly organized and existing under the laws of State of Delaware, United States, with business address at 2211 North First Street, San Jose California, 95131, United States of America.

² With address at OMC Chambers Wickhams Cay I Road Town, Tortola, British Virgin Islands.

³ 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.

⁴ Marked as Exhibit "A".

⁵ Marked as Exhibit "B".

4. copies of actual product labels that show the use of the registered trademark in the Philippines, including Philippine websites.⁷

On 08 March 2013, A Notice to Answer was served upon Respondent-Applicant. Despite receipt thereof, the latter did not comply. This prompted the Hearing Officer to issue Order No. 2013-1477 declaring Respondent-Applicant in default and submitting the case for decision.

The issue to be resolved is whether Respondent-Applicant's mark "PAYPIL" should be allowed registration.

Prefatorily, it is emphasized that 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.⁸

As culled from available records, the Opposer filed an application for the registration of the mark "PAYPAL" as early as 05 February 2003. Eventually, Certificate of Registration No. 4-2003-001017 was issued covering the said mark on 01 July 2005. Thereafter, Opposer also sought registration of "PAYPAL (2-TONED) LOGO" on 23 April 2007, which was allowed on 26 November 2007 under Certificate of Registration No. 4-2007-004096. On the other hand, Respondent-Applicant filed its application only on 05 July 2012.

To determine whether the marks of Opposer and Respondent-Applicant are confusingly similar, the competing marks are shown below for comparison:

PAYPAL PayPal

Opposer's marks

⁶ Marked as Exhibit "C".

⁷ Marked as Exhibits "D" to "G".

⁸ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.



Respondent-Applicant's mark

A perusal of the marks will readily show that they are almost identical and hence, confusingly similar. Respondent-Applicant merely replaced the fifth letter "a" in Opposer's mark with the letter "i". Its attempt to embellish its mark with a green square background is not sufficient to distinguish its mark from that of the Opposer's. As the marks are visually and phonetically similar, it is impossible not to remember or associate the registered trademark "PAYPAL" when one encounters the Respondent-Applicant's mark "PAYPIL". 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 purchaser as to cause him to purchase the one supposing it to be the other.⁹

Moreover, it is noteworthy that Respondent-Applicant's mark "PAYPIL" are to be used on "*monetary affairs*" under Class 36. Similarly, Opposer's mark "PAYPAL" cover goods and/or services for "*clearing and reconciling financial transactions via a global computer network; providing a wide variety of payment services and providing financial services, namely credit card processing and transmission of bills and payment thereof, conducted via a global computer network in Class 36*" and "*financial services, namely, enabling transfer of funds and purchase of products and services offered by others, all via electronic communications networks; cleaning and reconciling financial transactions via electronic communications networks; provide a wide variety of payment and financial services, namely, credit card services, issuing credit cards or lines or credit, processing and transmission of bills and payments thereof, payment services, proving guaranteed payment delivery, and money market funds; financial services, namely providing financial fraud protection and prevention and dispute resolutions services*", all of which are likewise under Class 36. Thus, it is highly likely that the consumers will be lead to believe that Respondent-Applicant's services is allied to or sponsored by the Opposer.

⁹ Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

Time and again, it has been held in our jurisdiction that the law does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient, for the purposes of the law that similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the new brand for it.¹⁰ Corollarily, the law does not require actual confusion, it being sufficient that confusion is likely to occur.¹¹

Succinctly, Callman notes two types of confusion. The first is the *confusion of goods* "in which event the ordinarily prudent purchaser 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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."¹²

Accordingly, this Bureau finds and concludes that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1(d) of the IP Code, which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to likely deceive or cause confusion.¹³

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2012-008098 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 19 February 2014.


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

¹⁰ American Wire & Cable Co. vs. Director of Patents, G.R. No. L-26557, 18 February 1970.

¹¹ Philips Export B.V. vs. Court of Appeals, G.R. No. 96161, 21 February 1992.

¹² Societe des Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 08 August 2010.

¹³ Great White Shark Enterprises vs. Danilo M. Caralde, Jr., G.R. No. 192294, 21 November 2012.