

[G.R. No. 205409. June 13, 2018.]

CITIGROUP, INC., *petitioner*, **vs. CITYSTATE SAVINGS BANK, INC.,** *respondent*.

DECISION

LEONEN, J p:

This resolves a Petition for Review on *Certiorari* **1** assailing the August 29, 2012 Decision **2** and the January 15, 2013 Resolution **3** of the Court of Appeals in CA-G.R. SP No. 109679.

The facts which led to the controversy before this Court, as summarized by the Court of Appeals, are as follows:

Petitioner Citigroup, Inc. is a corporation duly organized under the laws of the State of Delaware engaged in banking and financial services. In the late 1970s, Citibank N.A., a wholly-owned subsidiary of petitioner, installed its first automated teller machines in over a hundred New York City branches. In 1984, Citibank N.A., Philippine Branch, began the development of its domestic Automated Teller Machine (ATM) network, and started operating ATMs and issuing ATM cards in the Philippines. Citibank N.A., Philippine Branch then joined Bancnet, Inc. ("Bancnet") in 1990, the first year Bancnet commenced operations. To date, Citibank N.A., Philippine Branch has six branches and 22 ATMs in the Philippines.

In 2005, Citibank Savings, Inc. became an indirect wholly-owned subsidiary of Citibank, N.A. As a pre-existing thrift bank, it offered ATM services in the Philippines in 1995 and joined Bancnet in 2005. Citibank Savings, Inc. now has 36 branches and 27 ATMs in the Philippines.

Combining the branches and ATMs of Citibank N.A., Philippine Branch and Citibank Savings, Inc., there are a total of 42 branches and 29 ATMs in the Philippines marketed and identified to the public under the CITI family of marks.

The ATM cards issued by Citibank N.A., Philippine Branch and Citibank Savings, Inc. are labelled "CITICARD." The trademark CITICARD is owned by Citibank N.A. and is registered in the [Intellectual Property Office] of the Philippines on 27 September 1995 under Registration Number 34731.

In addition, petitioner or Citibank N.A., a wholly-owned subsidiary of petitioner, owns the following other trademarks currently registered with the Philippine [Intellectual Property Office], to wit: "CITI and arc design," "CITIBANK," "CITIBANK PAYLINK," "CITIBANK SPEEDCOLLECT," "CITIBANKING," "CITICARD," "CITICORP," "CITIFINANCIAL," "CITIGOLD," "CITIGROUP," "CITIPHONE BANKING," and "CITISERVICE."

On the other hand, sometime in the mid-nineties, a group of Filipinos and Singaporean companies formed a consortium to establish respondent Citystate Savings Bank, Inc. The consortium included established Singaporean companies, specifically Citystate Insurance Group and Citystate Management Group Holdings Pte. Ltd.

Respondent's registered mark has in its name affixed a lion's head, which is likened to the national symbol of Singapore, the Merlion. On 08

August 1997, respondent opened its initial branch in Makati City. From then on, it endeavored to expand its branch network. At present it has 19 branches in key cities and municipalities including 3 branches in the province of Bulacan and 1 in Cebu City. Respondent had also established off site ATMs in key locations in the Philippines as one of its banking products and services.

In line with this, respondent filed an application for registration with the [Intellectual Property Office] on 21 June 2005 of the trademark "CITY CASH WITH GOLDEN LION'S HEAD" for its ATM service, under Application Serial No. 42005005673. **4**

After respondent Citystate Savings Bank, Inc. (Citystate) applied for registration of its trademark "CITY CASH WITH GOLDEN LION'S HEAD" with the Intellectual Property Office, Citigroup, Inc. (Citigroup) filed an opposition to Citystate's application. Citigroup claimed that the "CITY CASH WITH GOLDEN LION'S HEAD" mark is confusingly similar to its own "CITI" marks. **5** After an exchange of pleadings, the Director of the Bureau of Legal Affairs of the Intellectual Property Office rendered a Decision **6** dated November 20, 2008. The Intellectual Property Office concluded that the dominant features of the marks were the words "CITI" and "CITY," which were almost the same in all aspects. It further ratiocinated that Citigroup had the better right over the mark, considering that its "CITI" and "CITI"-related marks have been registered with the Intellectual Property Office, as well as with the United States Patent and Trademark Office, covering "financial services" under Class 36 of the International Classification of Goods. **7** Thus, applying the dominance test and considering that Citystate's dominant feature of the applicant's mark was identical or confusingly similar to a registered trademark, the Intellectual Property Office ruled that approving it would be contrary to Section 138 of the [Intellectual Property Code](#) and Citigroup's exclusive right to use its marks.

This was appealed to the Office of the Director General of the Intellectual Property Office. In a Decision **8** dated July 3, 2009, Director General Adrian S. Cristobal, Jr. (Director General Cristobal) reversed the November 20, 2008 Decision of the Director of the Bureau of Legal Affairs and gave due course to Citystate's trademark application. He made a visual comparison of the parties' respective marks and considered the golden lion head device to be the prominent or dominant feature of Citystate's mark, and not the word "CITY." Thus, Citystate's mark did not resemble Citigroup's mark such that deception or confusion was likely. Director General Cristobal found plausible Citystate's explanation for choosing "CITYSTATE," *i.e.*, that its name was based on the country of Singapore, which was referred to as "city-state," and that the golden lion head device was similar to the national symbol of Singapore, the *merlion*. **9** He appreciated that availing of the products and services related to the parties' marks would entail very detailed procedures, like sales representatives explaining the products and clients filling up and submitting application forms, such that customers would necessarily be well informed and not confused. **10**

Thus, Citigroup filed a Petition for Review **11** before the Court of Appeals, which dismissed the petition. The Court of Appeals found that Director General Cristobal did not act with grave abuse of discretion in ruling that the parties' trademarks were not confusingly similar, and in giving due course to Citystate's trademark application. **12** It found that Citystate's mark was not confusingly or deceptively similar to Citigroup's marks:

[Citystate's] trademark is the entire "CITY CASH WITH GOLDEN LION'S HEAD." Although the words "CITY CASH" are prominent, the entirety of the trademark must be considered, and focus should not be made solely on the phonetic similarity of the words "CITY" and "CITI."

The dissimilarities between the two marks are noticeable and substantial. [Citystate's] mark, "CITY CASH WITH GOLDEN LION'S HEAD," has an insignia of a golden lion's head at the left side of the words

"CITY CASH," while [Citigroup's] "CITI" mark usually has an arc between the two l's. A further scrutiny of the other "CITI" marks of [Citigroup] would show that their font type, font size, and color schemes of the said "CITI" marks vary for each product or service. Most of the time, [Citigroup's] "CITI" mark is joined with another term to form a single word, with each product or service having different font types and color schemes. On the contrary, the trademark of [Citystate] consists of the words "CITY CASH," with a golden lion's head emblem on the left side. It is, therefore, improbable that the public would immediately and naturally conclude that [Citystate's] "CITY CASH WITH GOLDEN LION'S HEAD" is but another variation under [Citigroup's] "CITI" marks.

Verily, the variations in the appearance of the "CITI" marks by [Citigroup], when conjoined with other words, would dissolve the alleged similarity between them and the trademark of [Citystate]. These dissimilarities, and the insignia of a golden lion's head before the words "CITY CASH" in the mark of [Citystate] would sufficiently acquaint and apprise the public that [Citystate's] trademark "CITY CASH WITH GOLDEN LION'S HEAD" is not connected with the "CITI" marks of [Citigroup].

Moreover, more credit should be given to the "ordinary purchaser." Cast in this particular controversy, the ordinary purchaser is not the "completely unwary consumer" but is the "ordinarily intelligent buyer" considering the type of product involved. It bears to emphasize that the mark "CITY CASH WITH GOLDEN LION'S HEAD" is a mark of [Citystate] for its ATM services which it offers to the public. It cannot be gainsaid that an ATM service is not an ordinary product which could be obtained at any store without the public noticing its association with the banking institution that provides said service. Naturally, the customer must first open an account with a bank before it could avail of its ATM service. Moreover, the name of the banking institution is written and posted either inside or outside the ATM booth, not to mention the fact that the name of the bank that operates the ATM is constantly flashed at the screen of the ATM itself. With this, the public would accordingly be apprised that [Citystate's] "CITY CASH" is an ATM service of [Citystate], and not that of [Citigroup's]. **13** (Citation omitted)

Thus, the Court of Appeals quoted Director General Cristobal:

In evaluating the relevance of the prefix "CITI," due attention should be given not only to the other features of the competing marks but also to the attendant circumstances of the case. Otherwise, a blind adherence to [Citigroup's] claim over the prefix CITI is tantamount to handing it a monopoly of all marks with such prefix or with a prefix that sounds alike but with a different spelling like the word "city." Accordingly, the kind of products and services involved should likewise be scrutinized.

xxx xxx xxx

Thus, this Court finds no cogent reason to believe [Citigroup's] contention that consumers may confuse the products and services covered by the competing trademarks as coming from the same source of origin. The fear that the consumer may mistake the products as to the source or origin, or that the consumers seeking its products and services will be redirected or diverted to [Citystate], is unfounded. The products or services involved are not the ordinary everyday products that one can just pick up in a supermarket or grocery stores (*sic*). These products generally require sales representatives explaining to their prospective customers the

features of and entitlements thereto. Availing the products and services involved follows certain procedures that ordinarily and routinely gives the prospective customers or clients opportunity to know exactly with whom they are dealing with (*sic*). The procedures usually include the clients filling-up and submitting a *pro-forma* application form and other documentary requirements, which means that the person is well-informed and thus, cannot be misled into believing that the product or service is that of [Citystate] when in fact it is different from [Citigroup's].

The likelihood of confusion between two marks should be taken from the viewpoint of the prospective buyer. In *Emerald Garment Manufacturing Corp. vs. Court of Appeals, et al.*, the Supreme Court ruled that:

"Finally, in line with the foregoing discussions, more credit should be given to the 'ordinary purchaser.' Cast in this particular controversy, the ordinary purchaser is not the 'completely unwary consumer' but is the 'ordinarily intelligent buyer' considering the type of product involved.

The definition laid down in *Dy Buncio v. Tan Tiao Bok* is better suited to the present case. There, the 'ordinary purchaser' was defined as one 'accustomed to buy, and therefore to some extent familiar with, the goods in question. The test of fraudulent simulation is to be found in the likelihood of the deception of some persons in some measure acquainted with an established design and desirous of purchasing the commodity with which that design has been associated. The test is not found in the deception, or the possibility of deception, of the person who knows nothing about the design which has been counterfeited, and who must be indifferent between that and the other. The simulation, in order to be objectionable, must be such as appears likely to mislead the ordinary intelligent buyer who has a need to supply and is familiar with the article that he seeks to purchase." **14**

Citigroup filed a Motion for Reconsideration, **15** which the Court of Appeals denied in its January 15, 2013 Resolution. **16**

Thus, Citigroup filed a Petition for Review **17** against Citystate before this Court. After respondent filed its Comment/Opposition **18** and petitioner filed its Reply, **19** respondent filed its Memorandum. **20**

Petitioner claims that the Court of Appeals erred in finding that there was no confusing similarity between the trademark that respondent applied for and petitioner's own trademarks. **21** It avers that *Emerald Manufacturing Company v. Court of Appeals* **22** is not applicable to this case. **23** Contrary to the Court of Appeals' finding, the arc design is not an integral part of petitioner's "CITI" family of marks. **24**

Petitioner asserts that when the dominancy test is applied to the Court of Appeals' findings of fact, the necessary result is a finding of confusing similarity. **25** It points out that the Court of Appeals found that "CITY CASH" is the dominant feature of respondent's applied trademark. However, because the word "CASH" was disclaimed in respondent's trademark application, only "CITY" may be considered the dominant part of the mark. "CITY" . . . appears nearly identical to 'CITI.'" **26**

Further, petitioner argues that the Court of Appeals did not understand the services offered in relation to respondent's mark when it said that the mark is to be applied only in

relation to respondent's ATMs and within the bank premises. It insists that in actuality, the mark could be used outside the bank premises, such as in radio, newspapers, and the internet, where there would not necessarily be a "GOLDEN LION'S HEAD" symbol to disambiguate the mark from any of petitioner's marks. It argues that the Court of Appeals should have appreciated the difference between basic financial services on one hand, which include ATM services, and sophisticated financial services on the other hand. It avers that customers do not select ATM services after cautious evaluation, and that ATM services are marketed to ordinary consumers. Thus, petitioner claims that the Court of Appeals erred when it concluded that customers are intelligent purchasers, and failed to consider ordinary purchasers who have not yet used the financial services of petitioner and respondent. **27**

It further holds that it is not claiming a monopoly of all marks prefixed by words sounding like "city." It stresses that it opposes only marks which are registered under class 36 used in products directly related and in competition with its "CITI" family of marks, sold under the same business channels, and sold to the same group of consumers. **28**

Respondent argues that its mark is not confusingly similar to petitioner's **29** and that petitioner's fears are purely speculative. **30** It claims that the phonetic similarity between "CITY" and "CITI" is not sufficient to deny its registration, asserting that this Court has ruled that *idem sonans* alone is insufficient basis for a determination of the existence of confusing similarity. As for petitioner's arguments on possible confusion due to advertising, respondent states that advertisement aims to inform the public of a certain entity's product and that not mentioning a supplier's trade name in its advertisement defeats the purpose of advertisement. It disputes petitioner's claims on ATM services and the kind of caution exercised prior to obtaining an ATM card, asserting that before customers may avail of ATM services, they have to open an account with the bank offering them. **31**

This Court denies the Petition.

The sole issue for this Court's resolution is whether or not the Court of Appeals committed an error of law in finding that there exists no confusing similarity between petitioner Citigroup, Inc.'s and respondent Citystate Savings Bank, Inc.'s marks.

In *La Chemise Lacoste, S.A. v. Fernandez*, **32** this Court explained why trademarks are protected in the market:

The purpose of the law protecting a trademark cannot be overemphasized. They are to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into market a superior article of merchandise, the fruit of his industry and skill, and to prevent fraud and imposition (*Etepha v. Director of Patents*, 16 SCRA 495).

The legislature has enacted laws to regulate the use of trademarks and provide for the protection thereof. Modern trade and commerce demands that depredations on legitimate trade marks of non-nationals including those who have not shown prior registration thereof should not be countenanced. The law against such depredations is not only for the protection of the owner of the trademark but also, and more importantly, for the protection of purchasers from confusion, mistake, or deception as to the goods they are buying. (*Asari Yoko Co., Ltd. v. Kee Boc*, 1 SCRA 1; *General Garments Corporation v. Director of Patents*, 41 SCRA 50).

The law on trademarks and tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit, is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper, competition, no one, especially a trader,

is justified in damaging or jeopardizing another's business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built up by another (*Baltimore v. Moses*, 182 Md 229, 34 A (2d) 338). **33**

In *Mirpuri v. Court of Appeals*, **34** this Court traced the historical development of trademark law:

A "trademark" is defined under R.A. 166, the [Trademark Law](#), as including "any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others." This definition has been simplified in R.A. No. 8293, the Intellectual Property [Code](#) of the Philippines, which defines a "trademark" as "any visible sign capable of distinguishing goods." In Philippine jurisprudence, 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.

Modern authorities on [trademark law](#) view trademarks as performing three distinct functions: (1) they indicate origin or ownership of the articles to which they are attached; (2) they guarantee that those articles come up to a certain standard of quality; and (3) they advertise the articles they symbolize.

Symbols have been used to identify the ownership or origin of articles for several centuries. As early as 5,000 B.C., markings on pottery have been found by archaeologists. Cave drawings in southwestern Europe show bison with symbols on their flanks. Archaeological discoveries of ancient Greek and Roman inscriptions on sculptural works, paintings, vases, precious stones, glassworks, bricks, *etc.* reveal some features which are thought to be marks or symbols. These marks were affixed by the creator or maker of the article, or by public authorities as indicators for the payment of tax, for disclosing state monopoly, or devices for the settlement of accounts between an entrepreneur and his workmen.

In the Middle Ages, the use of many kinds of marks on a variety of goods was commonplace. Fifteenth century England saw the compulsory use of identifying marks in certain trades. There were the baker's mark on bread, bottlemaker's marks, smith's marks, tanner's marks, watermarks on paper, *etc.* Every guild had its own mark and every master belonging to it had a special mark of his own. The marks were not trademarks but police marks compulsorily imposed by the sovereign to let the public know that the goods were not "foreign" goods smuggled into an area where the guild had a monopoly, as well as to aid in tracing defective work or poor craftsmanship to the artisan. For a similar reason, merchants also used merchants' marks. Merchants dealt in goods acquired from many sources and the marks enabled them to identify and reclaim their goods upon recovery after shipwreck or piracy.

With constant use, the mark acquired popularity and became voluntarily adopted. It was not intended to create or continue monopoly but to give the customer an index or guarantee of quality. It was in the late 18th

century when the industrial revolution gave rise to mass production and distribution of consumer goods that the mark became an important instrumentality of trade and commerce. By this time, trademarks did not merely identify the goods; they also indicated the goods to be of satisfactory quality, and thereby stimulated further purchases by the consuming public. Eventually, they came to symbolize the goodwill and business reputation of the owner of the product and became a property right protected by law. The common law developed the doctrine of trademarks and tradenames "to prevent a person from palming off his goods as another's, from getting another's business or injuring his reputation by unfair means, and, from defrauding the public." Subsequently, England and the United States enacted national legislation on trademarks as part of the law regulating unfair trade. It became the right of the trademark owner to exclude others from the use of his mark, or of a confusingly similar mark where confusion resulted in diversion of trade or financial injury. At the same time, the trademark served as a warning against the imitation or faking of products to prevent the imposition of fraud upon the public.

Today, the trademark is not merely a symbol of origin and goodwill; it is often the most effective agent for the actual creation and protection of goodwill. It imprints upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfaction. In other words, the mark actually sells the goods. The mark has become the "silent salesman," the conduit through which direct contact between the trademark owner and the consumer is assured. It has invaded popular culture in ways never anticipated that it has become a more convincing selling point than even the quality of the article to which it refers. In the last half century, the unparalleled growth of industry and the rapid development of communications technology have enabled trademarks, tradenames and other distinctive signs of a product to penetrate regions where the owner does not actually manufacture or sell the product itself. Goodwill is no longer confined to the territory of actual market penetration; it extends to zones where the marked article has been fixed in the public mind through advertising. Whether in the print, broadcast or electronic communications medium, particularly on the Internet, advertising has paved the way for growth and expansion of the product by creating and earning a reputation that crosses over borders, virtually turning the whole world into one vast marketplace. **35** (Citations omitted)

There is also an underlying economic justification for the protection of trademarks: an effective trademark system helps bridge the information gap between producers and consumers, and thus, lowers the costs incurred by consumers in searching for and deciding what products to purchase. As summarized in a report of the World Intellectual Property Organization:

Economic research has shown that brands play an important role in bridging so-called asymmetries of information between producers and consumers. In many modern markets, product offerings differ across a wide range of quality characteristics. Consumers, in turn, cannot always discern these characteristics at the moment of purchase; they spend time and money researching different offerings before deciding which product to buy. Brand reputation helps consumers to reduce these search costs. It enables them to draw on their past experience and other information about products — such as advertisements and third party consumer reviews. However, the reputation mechanism only works if consumers are confident that they will purchase what they intend to purchase. The trademark system provides the

legal framework underpinning this confidence. It does so by granting exclusive rights to names, signs and other identifiers in commerce. In addition, by employing trademarks, producers and sellers create concise identifiers for specific goods and services, thereby improving communication about those goods and services. **36**

Recognizing the significance, and to further the effectivity of our trademark system, **37** our legislators proscribed the registration of marks under certain circumstances:

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

(a) Consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;

(b) Consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;

(c) Consists of a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow;

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

(i) The same goods or services, or

(ii) Closely related goods or services, or

(iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

(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;

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

(i) Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in *bona fide* and established trade practice;

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;

(k) Consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;

(l) Consists of color alone, unless defined by a given form; or

(m) Is contrary to public order or morality.

Based on this proscription, petitioner insists that respondent's mark cannot be registered because it is confusingly similar to its own set of marks. Thus, granting the petition rests solely on the question of likelihood of confusion between petitioner's and respondent's respective marks.

There is no objective test for determining whether the confusion is likely. Likelihood of confusion must be determined according to the particular circumstances of each case. **38** To aid in determining the similarity and likelihood of confusion between marks, our jurisprudence has developed two (2) tests: the dominance test and the holistic test. This Court explained these tests in *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*: **39**

The dominance test focuses on the similarity of the prevalent features of the competing trademarks that might cause confusion and deception, thus constituting infringement. If the competing trademark contains the main, essential, and dominant features of another, and confusion or deception is likely to result, infringement occurs. Exact duplication or imitation is not required. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or to deceive consumers.

In contrast, the holistic test entails a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing on both marks in order that the observer may draw his conclusion whether one is confusingly similar to the other. **40** (Citations omitted)

With these guidelines in mind, this Court considered "the main, essential, and dominant features" of the marks in this case, as well as the contexts in which the marks are to be used. This Court finds that the use of the "CITY CASH WITH GOLDEN LION'S HEAD" mark will not result in the likelihood of confusion in the minds of customers.

A visual comparison of the marks reveals no likelihood of confusion.

Respondent's mark is:

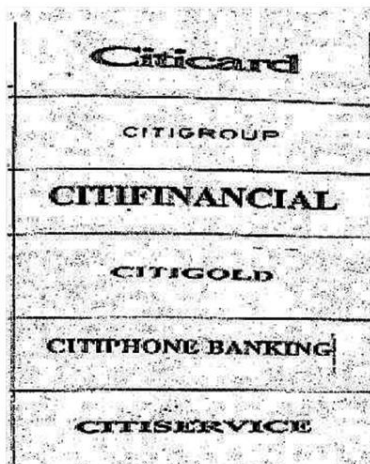


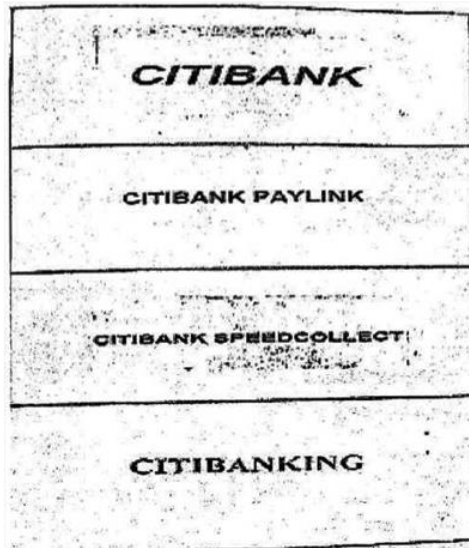
This Court agrees with the observation of Director General Cristobal that the most noticeable part of this mark is the golden lion's head device, **41** and finds that after noticing the image of the lion's head, the words "CITY" and "CASH" are equally prominent.

On the other hand, petitioner's marks, as noted by the Court of Appeals, often include the red arc device:



Petitioner's other registered marks which do not contain the red arc device include the following:





Examining these marks, this Court finds that petitioner's marks can best be described as consisting of the prefix "CITI" added to other words.

Applying the dominancy test, this Court sees that the prevalent feature of respondent's mark, the golden lion's head device, is not present at all in any of petitioner's marks. The only similar feature between respondent's mark and petitioner's collection of marks is the word "CITY" in the former, and the "CITI" prefix found in the latter. This Court agrees with the findings of the Court of Appeals that this similarity alone is not enough to create a likelihood of confusion.

The dis[s]imilarities between the two marks are noticeable and substantial. Respondent's mark, "CITY CASH WITH GOLDEN LION'S HEAD," has an insignia of a golden lion's head at the left side of the words "CITY CASH," while petitioner's "CITI" mark usually has an arc between the two l's. A further scrutiny of the other "CITI" marks of petitioner would show that their font type, font size, and color schemes of the said "CITI" marks vary for each product or service. Most of the time, petitioner's "CITI" mark is joined with another term to form a single word, with each product or service having different font types and color schemes. On the contrary, the trademark of respondent consists of the words "CITY CASH," with a golden lion's head emblem on the left side. It is, therefore, improbable that the public would immediately and naturally conclude that respondent's "CITY CASH WITH GOLDEN LION'S HEAD" is but another variation under petitioner's "CITI" marks.

Verily, the variations in the appearance of the "CITI" marks by petitioner, when conjoined with other words, would dissolve the alleged similarity between them and the trademark of respondent. These dissimilarities, and the insignia of a golden lion's head before the words "CITY CASH" in the mark of the respondent would sufficiently acquaint and apprise the public that respondent's trademark "CITY CASH WITH GOLDEN LION'S HEAD" is not connected with the "CITI" marks of petitioner. **42**

This Court also agrees with the Court of Appeals that the context where respondent's mark is to be used, namely, for its ATM services, which could only be secured at respondent's premises and not in an open market of ATM services, further diminishes the possibility of confusion on the part of prospective customers. Thus, this Court quotes with approval the Court of Appeals, which made reference to *[Emerald Manufacturing](#)*:

Moreover, more credit should be given to the "ordinary purchaser." Cast in this particular controversy, the ordinary purchaser is not the "completely unwary consumer" but is the "ordinarily intelligent buyer" considering the type of product involved. It bears to emphasize that the mark "CITY CASH WITH GOLDEN LION'S HEAD" is a mark of respondent for its ATM services which it offers to the public. It cannot be gainsaid that an ATM service is not an ordinary product which could be obtained at any store without the public noticing its association with the banking institution that provides said service. Naturally, the customer must first open an account with a bank before it could avail of its ATM service. Moreover, the name of the banking institution is written and posted either inside or outside the ATM booth, not to mention the fact that the name of the bank that operates the ATM is constantly flashed at the screen of the ATM itself. With this, the public would accordingly be apprised that respondent's "CITY CASH" is an ATM service of the respondent bank, and not of the petitioner's. **43**

Petitioner argues that *Emerald Manufacturing* is distinguishable from this case, insisting that ATM services are more akin to ordinary household items than they are akin to brand name jeans, in terms of how their customers choose their providers:

73. The *Emerald Manufacturing* case involved the marks "Lee" and "Stylistic Mr. Lee," and the Supreme Court focused on the nature of the products as "not the ordinary household items," pointing to the fact that, "the average Filipino consumer generally buys his jeans by brand. He does not ask the sales clerk for his generic jeans but for, say a Levis, Guess, Wrangler or even an Armani."

74. In contrast, when an ordinary consumer of ATM services wishes to withdraw cash, more often than not he will simply locate the nearest ATM, without reference to brand as long as the ATM accepts his card. When dealing with banks that belong to an ATM network such as Bancnet, which both parties do, the cards are almost universally and interchangeably accepted. **44**

This scenario is unclear, and thus, unconvincing and insufficient to support a finding of error on the part of the Court of Appeals. Petitioner hypothesizes that there could be some confusion because ATM users "simply locate the nearest ATM, without reference to brand as long as the ATM accepts [their] card." **45** This Court is at a loss to see how this supports petitioner's claims that ATM users locate the nearest ATMs and use them without reference to brand as long as the ATM accepts their cards. If petitioner's speculation is true, then bank branding is wholly irrelevant after the ATM service has been secured. This Court is hard pressed to accept this assumption. In any case, this Court simply cannot agree that a bank or ATM service is more akin to ordinary household items than it is to brand name jeans.

More relevant than the scenario discussed by petitioner is the stage when a bank is trying to attract customers to avail of its services. Petitioner points out that in advertisements, such as in radio, newspapers, and the internet, which are shown beyond the bank premises, there may be no golden lion's head device to disambiguate "CITY CASH" from any of petitioner's own marks and services. **46** This Court finds this unconvincing. ATM services, like other bank services, are generally not marketed as independent products. Indeed, as pointed out by petitioner itself, ATM cards accompany the basic deposit product in most banks. **47** They are generally adjunct to the main deposit service provided by a bank. Since ATM services must be secured and contracted for at the offering bank's premises, any marketing campaign for an ATM service must focus first and foremost on the offering bank. Hence, any effective internet and newspaper

advertisement for respondent would include and emphasize the golden lion's head device. Indeed, a radio advertisement would not have it. It should not be forgotten, however, that a mark is a question of visuals, by statutory definition. **48** Thus, the similarity between the sounds of "CITI" and "CITY" in a radio advertisement alone neither is sufficient for this Court to conclude that there is a likelihood that a customer would be confused nor can operate to bar respondent from registering its mark. This Court notes that any confusion that may arise from using "CITY CASH" in a radio advertisement would be the same confusion that might arise from using respondent's own trade name. Aurally, respondent's very trade name, which is not questioned, could be mistaken as "CITISTATE SAVINGS BANK," and all of petitioner's fears of possible confusion would be just as likely.

This Court agrees with Director General Cristobal's recognition of respondent's history and of "Citystate" as part of its name. **49** Upon consideration, it notes that it may have been more aligned with the purpose of trademark protection for respondent to have chosen the trademark "CITYSTATE CASH" instead of "CITY CASH" to create a stronger association between its trade name and the service provided. Nonetheless, there is no law requiring that trademarks match the offeror's trade name precisely to be registrable. The only relevant issue is the likelihood of confusion.

This Court also recognizes that there could be other situations involving a combination of the word "city" and another word that could result in confusion among customers. However, it is not convinced that this is one of those situations.

Thus, having examined the particularities of this case, this Court affirms the Court of Appeals' finding that Director General Cristobal of the Intellectual Property Office did not commit any grave abuse of discretion in allowing the registration of respondent's trademark.

WHEREFORE, the petition is **DENIED**. The Court of Appeals August 29, 2012 Decision and January 15, 2013 Resolution in CA-G.R. SP No. 109679 are **AFFIRMED**.

SO ORDERED.

Velasco, Jr., Bersamin, Martires and Gesmundo, JJ., concur.

Footnotes

1. *Rollo*, pp. 18-55.
2. *Id.* at 150-181. The Decision was penned by Associate Justice Elihu A. Ybañez and concurred in by Associate Justices Japar B. Dimaampao and Victoria Isabel A. Paredes of the Fourteenth Division, Court of Appeals, Manila.
3. *Id.* at 208-209. The Resolution was penned by Associate Justice Elihu A. Ybañez and concurred in by Associate Justices Japar B. Dimaampao and Victoria Isabel A. Paredes of the Fourteenth Division, Court of Appeals, Manila.
4. *Id.* at 151-153.
5. *Id.* at 151-154.
6. *Id.* at 86-100.
7. *Id.* at 98.
8. *Id.* at 102-112.
9. *Id.* at 110.
10. *Id.* at 111.
11. *Id.* at 113-143.

12. *Id.* at 179-180.
13. *Id.* at 175-177.
14. *Id.* at 177-179.
15. *Id.* at 183-207.
16. *Id.* at 208-209.
17. *Id.* at 18-55.
18. *Id.* at 1462-1477.
19. *Id.* at 1487-1507.
20. *Id.* at 1516-1538.
21. *Id.* at 28.
22. 321 Phil. 1001 (1995) [Per J. Kapunan, First Division].
23. *Rollo*, pp. 32-33.
24. *Id.* at 34.
25. *Id.* at 37.
26. *Id.* at 38.
27. *Id.* at 44-47.
28. *Id.* at 49-50.
29. *Id.* at 1522.
30. *Id.* at 1528.
31. *Id.* at 1523-1524.
32. 214 Phil. 332 (1984) [Per J. Gutierrez, Jr., First Division].
33. *Id.* at 355-356.
34. 376 Phil. 628 (1999) [Per J. Puno, First Division].
35. *Id.* at 645-649.
36. World Intellectual Property Report, *Brands — Reputation and Image in the Global Marketplace* (2013).
37. [Rep. Act No. 8293](#), sec. 2.
38. [ESSO Standard Eastern, Inc. v. Court of Appeals](#), 201 Phil. 803 (1982) [Per J. Teehankee, First Division].
39. 628 Phil. 13 (2010) [Per J. Carpio, Second Division].
40. *Id.* at 24.
41. *Rollo*, p. 110.
42. *Id.* at 175-176.
43. *Id.* at 176-177.
44. *Id.* at 32-33.

45. *Id.* at 33.

46. *Id.* at 44.

47. *Id.* at 45.

48. [Rep. Act No. 8293](#), sec. 121.

49. *Rollo*, p. 110.