

E. REMY MARTIN & CO.,	}	IPC No. 14-2005-00133
Opposer,	}	Opposition to:
	}	Serial No. 4-1992-079522
-versus-	}	Date Filed: 02 July 1992
	}	TM: "LOUIS XIII
FORTUNE TOBACCO CORP.,	}	LABEL"
Respondent-Applicant.	}	
x-----x		Decision No. 2007-40

DECISION

This pertains to an Opposition filed on 23 September 2005 by herein opposer, E. REMY MARTIN & CO., a corporation organized and existing under the laws of France, with principal office at 20 rue de la Societe Vinicole, 16100 Cognac, France, against the application for registration of the trademark "LOUIS XIII LABEL" bearing Application Serial No. 4-1992-079522 filed on 02 July 1992 for goods falling under Class 34 of the Nice Classification of Goods, for cigarettes by respondent-applicant, FORTUNE TOBACCO CORP., a corporation organized and existing under the laws of the Philippines with address on record at Parang, Marikina, Metro Manila.

The subject trademark application was published for opposition in the Intellectual Property Office Official Gazette officially released for circulation on 28 July 2005.

The grounds for opposition are as follows:

1. Section 123 (d) of the Intellectual Property Code or Republic Act 8293.
2. Section 123 (e) of the Intellectual Property Code or Republic Act 8293.
3. Section 123 (f) of the Intellectual Property Code or Republic Act 8293.
4. Sections 3 and 160, et. seq., of the Intellectual Property Code or Republic Act 8293.

In support of the instant opposition, Opposer relied on the antecedent facts, in sum, to wit:

1. Opposer filed an application for the registration of its mark LOUIS XIII BRAND on 18 November 1994 and was granted registration on 08 December 1998 under Certificate of registration No. 066707 for brandies and cognacs. Moreover, on 19 January 1995, opposer filed an application for registration of its mark LOUIS XIII DE REMY MARTIN and was registered in the Philippines on 13 December 1999 for the following goods: alcoholic beverages, except beers under Registration No. 4-1995-99875.

Annexes "A" and "B" are copies of Certificate of Registration Nos. 4-1995-99875 and 066707, respectively, are attached to the Opposition.

2. Opposer has been holding rights to the LOUIS XIII Brand and its variations for many years. In the 1880s, opposer exclusively adopted and sued the LOUIS XIII mark and its "royal" decanter to designate one of its most

prestigious cognac not only in France, its national country but also in various countries all over the world.

3. In the Philippines, opposer has started selling its REMY MARTIN COGNACS in the 1950s with A. SORIANO Y CIA, its first distributor since 24 August 1953. Copies of vouchers for invoices showing the date of first use and worldwide use are attached to the Affidavit Testimony.

4. Clearly, opposer is the rightful owner of the mark LOUIS XIII BRAND and LOUIS XIII DE REMY MARTIN, having used, adopted and registered the same in the Philippines and on several countries in the world much earlier than Respondent.

5. To protect its proprietary rights, opposer has as early as 1937 in France, its national country, sought the registration of the same in various countries such as Australia, Algeria, Argentina, Armenia, Austria, Belarus, Benelux, Bosnia-Herzegovina, Brazil, Bulgaria, Cambodia, Chile, China, Croatia, Cuba, Cyprus (Greek part), Czech Republic, Denmark, Egypt, Estonia, Finland, Germany, Greece, Hong Kong, Hungary, Ireland, Italy, Japan, Kazakhstan, Kenya, Kyrgyzstan, Laos, Latvia, Liechtenstein, Lithuania, Macao, Macedonia, Mongolia, Morocco, Namibia, North Korea, Norway, Philippines, Poland Portugal, Romania, Russia, San Marino, Serbia & Montenegro, Singapore, Seychelles, Slovak Republic, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Tajikistan, Taiwan, Thailand, Turkey, Ukraine, United Kingdom, Uruguay, U.S.A., Uzbekistan, Venezuela, Vietnam and Zimbabwe. The list and copies of the registrations and applications are hereto attached to the AFFIDAVIT TESTIMONY.

6. Opposer has built, for its mark LOUIS XIII superior quality image or reputation through its long use characterized by high standards. Products bearing the LOUIS XIII mark and its variations has been continuously manufactured, distributed and sold worldwide. In the Philippines, the distribution of LOUIS XIII DE REMY MARTIN started at least in the 1970s and still ongoing.

7. Opposer has developed goodwill and reputation for its mark LOUIS XIII through extensive promotion, worldwide registration and use acquiring inherent or acquired mark distinction. Copies of advertisements, magazines and promotions are attached together with the Affidavit testimony.

8. From the foregoing, it is apparent that opposer's mark satisfies the criteria set by the Rules and Regulations Implementing RA 8297 to be considered as a well-known mark, entitled to protection under Section 123 (e) and (f) of R.A. 8293.

9. Whether it is in presentation, general appearance or in pronunciation, respondent-applicant's mark LOUIS XIII LABEL and opposer's LOUIS XIII are confusingly similar, hence, will cause confusion among their prospective market and registration is proscribed by RA 8293, Section 123 (d).

10. Respondent's use of the mark LOUIS XIII LABEL, which is confusingly similar to opposer's mark LOUIS XIII, will indicate a connection between the latter's goods and those of respondent's, and will likely mislead respondent's are produced or originated from, or are under the sponsorship of opposer, to the detriment and damage of opposer's interest, considering the goods are the same and belong to the same class.

11. Opposer alleges that the respondent-applicant's adoption of LOUIS XIII LABEL trademark which is similar to that of opposer's LOUIS XIII was clearly done in bad faith and with the illegal intent of riding on the popularity and goodwill of opposer's quality-built reputation and will cause great and irreparable damage and injury to the opposer.

Opposer attached labels of its marks, LOUIS XIII BRAND and LOUIS XIII DE REMY MARTIN.

A Notice to Answer dated 19 January 2006 was sent by this Bureau on 02 February 2006 through registered mail with return card no. C-1577 to herein respondent-applicant to file its verified answer within thirty (30) days from receipt thereof. Consequently, in Order No. 2006-1045 dated 19 July 2006, this Bureau noted respondent's failure to submit its Answer and therefore, waived the latter's right to submit the same. Hence, this instant case is deemed submitted for decision after opposer's ten (10) days to submit its Position Paper. Opposer submitted its position paper on August 11, 2006.

The issues presented are:

WHETHER OR NOT RESPONDENT-APPLICANT'S TRADEMARK "LOUIS XIII LABEL" IS CONFUSINGLY SIMILAR TO OPPOSER'S REGISTERED TRADEMARKS "LOUIS XIII BRAND" AND "LOUIS XIII DE REMY MARTIN".

WHETHER OR NOT OPPOSER'S REGISTERED TRADEMARKS ARE OF WELL-KNOWN STATUS ENTITLED TO THE PROTECTION UNDER THE LAW.

On the first issue, this Office rules in the negative.

Prefatorily, the governing law in this instant opposition case is the old Trademark Law (R.A. 166, as amended) since the trademark application in this proceeding was filed under the old Trademark Law, in order not to adversely affect rights acquired prior to the effectivity of the new Intellectual Property Code or R.A. 8293.

The applicable provision of the Trademark Law provides:

"Sec. 4. Registration of trademarks, tradenames and service marks on the Principal Register. – x x x The owner of a trademark, tradename or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:

x x x

"(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers". (Section 4(d), R.A. 166, as amended)

The instant case shows that, with respect to the similarity of marks, opposer's registered marks "LOUIS XIII BRAND" and "LOUIS XIII DE REMY MARTIN"; and, respondent-applicant's mark "LOUIS XIII LABEL" are almost identical word marks because of the words "LOUIS XIII". However, the determination of whether or not exists likelihood of confusion is not solely established by mere similarity or dissimilarity of marks.

Ordinarily, the ownership of a trademark or trade name is a property right that the owner is entitled to protect. (CONVERSE RUBBER CORPORATION vs. UNIVERSAL RUBBER PRODUCTS, INC. 147 SCRA 154 (1987) As provided under old Trademark Law, "A certificate of registration of a mark or trade name shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or trade name, and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein." (Section 20, R.A. 166, as amended)

It is well to quote the ruling of the Honorable Supreme Court in the case of ESSO STANDARD EASTERN, INC. vs. COURT OF APPEALS, 116 SCRA 336, that, "when a trademark is used by a party on a product in which the other party does not deal, the use of the same trademark on the latter's product cannot be validly objected to." Akin thereto, the case of American Foundries vs. ROBERTSON, 269 USPO 372, 381, stressed that, "the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind."

Thus, let us examine the goods and its nature where the mark in controversy are used and whether likelihood of confusion as to source or origin of goods may arise, that is, whether the goods are similar or closely related as to cause confusion to the purchasers and thus preclude the registration of respondent's mark.

As per evidence presented, the opposer's trademarks: LOUIS XIII BRAND has Philippine Registration No. 066707 for brandies and cognacs falling under Class 33; and LOUIS XIII DE REMY MARTIN has Philippine Registration No. 4-1995-99875 for alcoholic beverages, except beers under Class 34; on the other hand, respondent-applicant's applied trademark is LOUIS XIII LABEL for cigarettes under Class 34.

In this regard, this Bureau finds that the contending goods are neither related nor competing to each other.

The Supreme Court, in the case of ESSO STANDARD EASTERN, INC. vs. COURT OF APPEALS and UNITED CIGARETTE CORPORATION (116 SCRA 342), ruled that:

"Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus, biscuits were held related to milk because they are both foods products." (American Foundries vs. Robertson, 269 USPO 372, 381)

Applying the foregoing guidelines, this Bureau finds that the goods of opposer do not have the same descriptive properties as the goods of respondent-applicant. Opposer's Class 33 are hard liquor beverages or drinks, whereas respondent-applicant's Class 34 are cigarettes. They do not have the same characteristics or attributes, hence the difference in their classification. Moreover, while the contending goods *may* flow through the same channel of commerce, such as grocery or supermarket, they are definitely displayed or shelved in different sections. Opposer's goods are found in the liquor or alcoholic beverages section, while respondent-applicant's goods are shelved in the cigarette section and sometimes near the cashier lane. More so, opposer's goods are available in big supermarkets, high-end bars and hotel as compared to respondent-applicant's goods which may be available even in neighborhood store, convenience store and drug stores.

The goods do not serve the same class of purchasers and the same purpose. Opposer's goods, considering its international status symbol and its well-heeled consumers, are high priced

items usually served for social drinking in special or unordinary occasions, whereas, Respondent-applicant's goods are common goods to Filipino consumers, regardless of one's paying capacity. Smoking cigarette is considered one of the favorite past times of most adults and teens which may be equated to drinking beer, but definitely not brandy or cognac.

Anent the second issue, opposer alleged that its mark "LOUIS XIII BRAND" is internationally well-known considering that the same has been marketed in the world for a long time and likewise registered in many countries of the world including the Philippines as evidenced by the various certificate of registrations under opposer's name.

Art. 6 bis of the Paris Convention for the Protection of Industrial Property provides that –

Article 6 bis
(Marks: Well-Known Marks)

“The countries of the union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitute a reproduction, an imitation or a translation, liable to create confusion, of a mark considered by the competent authority of the country as being already the mark of a person entitled to the benefits of this convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any well-known mark or an imitation to create confusion therewith. (Underscoring Ours.)

In a Memorandum dated 25 October 1983, the then Minister of Trade and Industry, the Hon, Roberto V. Ongpin, set guidelines in the implementation of Article 6bis (SIC) of the Treaty of Paris. The conditions are as follows:

1. the mark must be internationally known;
2. the subject of the right must be a trademark, not a patent or copyright or anything else;
3. the mark must be for use in the same or similar kinds of goods; and
4. the person claiming must be the owner of the mark (The Parties Convention Commentary)

As hereinbefore discussed, opposer's brandies, cognacs and other alcoholic beverages under Class 33 and respondent-applicant's cigarettes under Class 34 are neither the same, similar, competitive nor related. Hence, opposer cannot seek protection under Art. 6 bis of the Paris Convention for the Protection of Industrial Property.

Following the cited laws and jurisprudence, this Bureau hereby resolves that the Opposer failed to prove sufficiently the grounds to establish its right on the mark "LOUIS XIII LABEL".

However, this Bureau cannot take for granted the inaction of Respondent-Applicant in defending its claim over the trademark "LOUIS XIII LABEL". Such inaction of Respondent-Applicant is evidenced by its failure to file its Answer despite receipt of the Notice to Answer to the Notice of Opposition, contrary to the disputable presumption that "a person takes ordinary care of his concern", enunciated in Section 3(d) of Rule 131 of the Rules of Court.

It was the respondent-applicant's option not to defend its case, contrary to the declared policy of the Supreme Court to the effect that "it is precisely the intention of the law to protect only the vigilant, not those guilty of laches." (PAG-ASA INDUSTRIAL CORP. vs. COURT OF APPEALS, 118 SCRA 526)

Finally, as provided for under Sec. 230 of R.A. 8293, otherwise known as the Intellectual Property Code of the Philippines:

“Sec. 230. *Equitable Principles to Govern Proceedings.* – In all inter partes proceedings in the Office under this Act, the equitable principles of laches, estoppel, and acquiescence where applicable, may be considered and applied.”

As defined in the dictionary, laches means “slackness or carelessness toward duty or opportunity or neglect to do a thing at the proper time” (Webster Third International Dictionary, p. 1261).

WHEREFORE, premises considered, the Notice of Opposition is hereby DENIED. Consequently, application bearing Serial No. 4-1992-079522 filed by Respondent-Applicant Fortune Tobacco Corp. on 02 July 1992 for the registration of the mark “LOUIS XIII LABEL”, under Class 34 used for cigarettes is hereby considered ABANDONED by the Respondent-Applicant due to laches.

Let the filewrapper of the trademark “LOUIS XIII LABEL” subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 28 March 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office