

TIFFANY AND COMPANY	}	IPC No. 14-2001-00008
<i>Opposer,</i>	}	Opposition to:
	}	
-versus-	}	Application Serial. No.: 114848
	}	Date Filed : 16 October 1996
	}	Trademark : "TIFFANY &
	}	CHINESE CHARACTERS"
WINSTON HANKIES &	}	For : Handkerchiefs
NEEDLECRAFT CO.,	}	
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2003 – 14

D E C I S I O N

This pertains to the Notice of Opposition filed by TIFFANY AND COMPANY, a corporation organized and existing under the laws of the State of New York, U.S.A., with principal office at 727 Fifth Avenue, New York, New York, U.S.A., against the registration of the trademark "TIFFANY & CHINESE CHARACTERS (which means 'Yellow')" for the handkerchiefs under Class 24, bearing Application Serial No. 114848 and filed on 16 October 1996 in the name of WINSTON HANKIES & NEDDLECRAFT CO., a corporation organized and existing under the laws of the Republic of the Philippines, with principal office at No. 924-P Severino Reyes St., Sta. Cruz, Manila.

The grounds for the opposition to the registration of the trademark TIFFANY & CHINESE CHARACTERS are as follows:

- "1. The trademark TIFFANY so resembles Opposer's trademark TIFFANY which has been previously used in commerce and registered in the United States and other parts of the world and not abandoned, as to be likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public.
- "2. The registration of the trademark TIFFANY in the name of the applicant will violate Sections 123.1 (f) and 147.2 of Republic Act 8293, Section 6bis of the Paris Convention for the Protection of Industrial Property and Article 16(2) of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and the United States of America are parties.
- "3. The registration by the Applicant of the trademark TIFFANY will diminish the distinctiveness and dilute the goodwill of Opposer's trademark TIFFANY and TIFFANY & CO., which have been registered, approved and/or applied for registration in various classes of goods with the Bureau of Trademarks.
- "4. The registration by Applicant of the trademark TIFFANY will amount to an infringement of Opposer's tradename TIFFANY & CO., which is protected under the Paris Convention without the obligation of filing or registration" and under Section 165 of R.A.8293 "even prior to or without registration."
- "5. The registration of the trademark TIFFANY in the name of the Applicant is contrary to the provisions of the aforementioned international agreements and R.A. 8293."

To support its opposition, Opposer relied upon the following facts, among others:

- “1. Opposer is a manufacturer and seller of luxury goods, including goods bearing the trademarks TIFFANY and TIFFANY & CO. Opposer has marketed and sold the goods in many countries worldwide. Opposer has been commercially using the trademarks TIFFANY and TIFFANY & CO. domestically and internationally prior to the use of TIFFANY by Applicant.
- “2. Opposer is the owner of the trademarks TIFFANY and TIFFANY & CO., which have been registered in its name and used worldwide.
- “3. In the Philippines, Opposer is the first user and owner of the trademarks TIFFANY and TIFFANY & CO., under the following registrations, approved applications and/or pending applications for the specified classes of goods:

Regn./Appln. No.	Mark	Dated	Class
61471	TIFFANY	August 22, 1995	3
85344	TIFFANY & CO.	April 7, 1993	14
114365	TIFFANY & CO.	September 27, 1996	16
114364	TIFFANY & CO.	September 27, 1996	8
114368	TIFFANY & CO.	September 27, 1996	25
114366	TIFFANY & CO.	September 27, 1996	18
114367	TIFFANY & CO.	September 27, 1996	21

- “4. Opposer is known as a source of luxury goods of all kinds bearing the trademarks TIFFANY and TIFFANY & CO. Applicant’s unauthorized appropriation and use of the mark TIFFANY on handkerchief is likely to damage Opposer’s goodwill to the well-known TIFFANY and TIFFANY & CO.
- “5. Opposer is the first user of the trademarks TIFFANY and TIFFANY & CO., for various classes of goods which Opposer has sold and marketed in various countries worldwide.
- “6. By virtue of Opposer’s prior and continued use of TIFFANY both as a trademark or tradename in many countries of the world, said trademark and tradename have become popular and internationally well-known for luxury goods, and recognized as such by courts or administrative bodies in the United States, South Korea and the Dominican Republic and other countries. They have established valuable goodwill for Opposer among consumers who have identified Opposer as the source of the luxury goods bearing said trademark and tradename.
- “7. Applicant appropriated Opposer’s world-famous mark TIFFANY and used it on ordinary products like handkerchiefs to ride on its renown and falsely suggest an association with Opposer. This is likely to damage Opposer’s interest and dilute the goodwill and reputation of its marks TIFFANY and TIFFANY & CO.
- “8. The registration and use of an identical trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer’s above trademarks and tradename.”

The Notice to Answer dated 26 June 2001, was sent to the Respondent-Applicant and received by Respondent-Applicant’s counsel on 27 June 2001. For failure of the Applicant to file

the required Answer within fifteen (15) days from receipt of aforesaid notice, the Applicant was declared in default by the Bureau of Legal Affairs as per Order No. 2002-132 and the Opposer was allowed to present its evidence ex-parte.

Admitted in evidence for the Opposer are Exhibits "A" to "GG" inclusive of sub-markings consisting of: (a) affidavit of Tarz Palomba, Vice President-Legal of the Opposer; (b) Certificate of Registration issued by the United States Patent & Trademark Office for goods under Classes 25 and 42 and for the Paris Store of Tiffany & Co. in Paris taken in 1905; (d) copy of the Store Directory distributed at the New York Tiffany & Co. store; (e) copy of Tiffany & Co's product catalogue entitled "Blue Book 2001-2002" featuring the products carried and sold by the Opposer; (f) copy of Tiffany & Co's Blue Book Catalogue of 1909; (g) sample advertisements for clothing accessories with the TIFFANY and TIFFANY & CO. marks which appeared in international publications such as Harper's Bazaar, Elle Magazine and House Garden; (g) photographs of TIFFANY & CO.'s window displays in the years 1996, 1997, 1998 and 1999, incorporating scarves and neckties as part of Opposer's clothing accessories line; (h) copies of articles on TIFFANY and TIFFANY & CO. featured in publications such as the Smithsonian Magazine, Harper's Bazaar (November 1940), House & Garden (October 1987), Town and Country (January 1987), Frendi Vogue Decorations (September 1987), Italian Vogue Magazine (April 1990), an Italian journal named "Presse" (December 1897), a German journal named "Deutsche Vermacker Zeitung" (01 May 1895) and Interior's Magazine (May 1991); (i) copy of the McCarthy Treatise on Trademarks; (j) copy of the Decision in the U.S. case entitled Kent v. Kent dated November 14, 1962; (k) copies of decisions promulgated by appropriate agencies from Korea, Taiwan and Switzerland, rejecting the application for or cancelling the registration of trademarks confusingly similar to TIFFANY; (l) copies of advertisements of TIFFANY products featured in magazine circulated in different countries including France, Hong Kong, Japan and the Philippines; (m) copies of advertisements of TIFFANY products featured in various in-flight magazines such as the JAL Shopping and Dining Guide and the Swiss Air Gazette; (n) circulation figures of the in-flight magazines JAL Shopping and Dining Guide, Lufthansa Germany, Swiss Air Gazette and British Airways Highlife; (o) reproduction of the photograph of a New York movie theater marquee advertising the screening of the movie "Breakfast at Tiffany's"; (p) cover of the 1993 Holiday Selection catalogue of TIFFANY & CO., featuring the book upon which the movie "Breakfast at Tiffany's" was based; (q) publicity photo from the movie "The Concierge" depicting Opposer's New York store; (r) copies of the photographs of the NFL Superbowl Trophy for football and the U.S. Open Tennis Championship Trophy, which Opposer was commissioned to make; (s) 1998-2001 Annual Reports of TIFFANY & CO. to its stockholders; (t) Certificates of Registration for the trademarks TIFFANY and/or TIFFANY & CO. in various countries such as Australia, Bermuda, Estonia, France, Great Britain, Hong Kong, Indonesia, Israel, Latvia, Lithuania, New Zealand, Singapore, United States, Uruguay and Vietnam; (t) Certificate of Registration No. 536554 issued by the Organization Mondiale dela Propriete Intellectuelle (OMPI) covering the countries of Austria, Benelux, Spain, France, Italy, Liechtenstein, Monaco, Portugal, Switzerland, Russia and all the former soviet republics, the Czech Republic and the Slovak Republic; (u) summary of sales of TIFFANY and TIFFANY & CO. products in the Far East including the Philippines; (v) schedule of the promotional campaign/advertisements for the opening of the TIFFANY store in the Philippines; (w) sales invoice showing sales of TIFFANY and TIFFANY & CO. brand items including clothing accessories in the Philippines; (x) copy or articles on the opening of the TIFFANY & CO. store in Manila, featured in various publications such as Women's Journal (25 December 1993), Lifestyle Asia (December 1993), Manila Times (18 December 1993), Mr. & Mrs. (14 December 1993), Woman Today (08 December 1993), Makati Village Voice (05-11 December 1993; 14-20 November 1993), Sunday Inquirer Magazine (05 December 1993), Mod Magazine (03 December 1993), Manila Chronicle (01 December 1993), Philippine Times Journal (26 November 1993, Sunday Standard Magazine (28 November 1993), Manila Standard (23-24 November 1993), Philippine Star (18, 21 & 23 November 1993), Manila Bulletin (22 November 1993) and Starweek (21 November 1993); (y) copies of promotional advertisements for TIFFANY and TIFFANY & CO. products featured in various publications such as the Architectural Digest (October 1987), Harper's Bazaar (November 1987) and Bride's Magazine; (z) Schedule of International Arrival By Country of Origin from 1981-1991 to the U.S.A. as recorded by the U.S. Travel and Tourism

Office of Research; (aa) excerpts which list TIFFANY & CO. as a place to visit in New York, from various publications such as Shopping Manhattan, NYC Access, New York on \$1000 (before lunch), Fodor's 91, Gerry Frank's- Where to Find It, Buy It, Eat It in New York, Born to Shop – New York, New York – the Best Places, Frommer's Towing Guide – New York, the American Express Pocket Guide to New York, Frommer's 1985-1986 Guide to New York and Where to Find It, Buy It, Eat It, in New York; (b) copies of NY.com and the Essential Big Apple web pages recommending TIFFANY & CO. as a place to visit; and (cc) copies of TIFFANY & Co.'s stationeries.

The issues to be resolved in this particular case are:

- (a) whether or not there exists a confusing similarity between the Opposer's trademark TIFFANY and Respondent-Applicant's trademark TIFFANY & CHINESE CHARACTER (which means "Yellow"); and
- (b) who between the Opposer and the Respondent-Applicant is the prior user entitled to protection of the trademark TIFFANY under the Trademark Law.

Considering that the application subject of the instant opposition was filed under the old Trademark Law (R.A. 166, as amended), this Office shall resolve the case under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

The applicable provision of the Trademark law, Section 4(d) provides:

"Sec. 4. *Registration of trademarks, trade names and service-marks on the Principal register* – xxx The owner of a trademark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it:

x x x

"(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name 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."

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would *actually* cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public. The law does not require that the competing trademarks must be so identical as to produce actual error or mistake. For infringement to exist, it would be sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

In the case of *Etepha vs. Director of Patents (16 SCRA 502)*, the Supreme Court stated that:

"The essential element of infringement is colorable imitation. This term has been defined as "such a close or ingenious imitation as to be calculated to deceive ordinary purchasers, or such resemblance of the infringing mark to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives and to cause him to purchase the one, supposing it to be the other."

The Supreme Court, in determining whether or not there is confusing similarity between trademarks, has relied on the dominancy test or the assessment of the essential or dominant features in the competing trademarks. Even the spelling and the similarity in sounds and pronunciation are taken into consideration. Thus, in the case of *Co Tiong Sa vs. Director of Patents (95 Phil 1)*, the application for the registration of the trademark "FREEDOM" was rejected due to the existing registration of the mark "FREEMAN" over the same class of goods.

In the case of *Marvex Commercial Co. vs. Hawpia & Co. (18 SCRA 1178)*, the Supreme Court found that:

"The tradename 'LIONPAS' for medicated plaster cannot be registered because it is confusingly similar to 'SALONPAS', a registered trademark also for medicated plaster. xxx Although the two letters of 'SALONPAS' are missing in 'LIONPAS' the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. xxx"

In the case of *American Wire and Cable Co. vs. Director of Patents (31 SCRA 544)*, the Supreme Court observed that:

"xxx The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; xxx no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other."

In the instant case, the only difference between the trademarks TIFFANY and TIFFANY & CHINESE CHARACTERS is the said Chinese character. The predominant feature of both marks is the word TIFFANY. Both trademarks also cover clothing accessories, i.e. scarves and ties for the Opposer and handkerchiefs for the Respondent-Applicant, such that the use of the trademark TIFFANY by the latter on its products is likely to lead to a confusion of source. The addition of the Chinese character does not in any way distinguish Respondent-Applicant's mark from that of the Opposer's but is only likely to lead to the impression that Opposer has extended its products to Chinese handkerchiefs.

In the case of *Sta. Ana vs. Maliwat (24 SCRA 1018)*, THE Supreme Court ruled:

"Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or trade name is likely to lead to a confusion of source, as where the prospective purchasers would be misled into thinking that the complaining party has extended his business of the infringer; or when it forestalls the normal potential expansion of his business. Mere dissimilarity of goods should not preclude relief where the junior user's goods are not too different or remote from any that the owner would be likely to make or sell xxx."

As per the evidence presented, the trademark TIFFANY was first used by Charles Lewis Tiffany in 1837 when he opened a retail shop in New York City. He thereafter opened similar stores in Paris (1850) and in London (1868). In 1868, the business was incorporated under the name TIFFANY & CO. and remains a corporation of the State of New York to this day, with various retail outlets around the globe, including the United States, Canada, Latin America, Europe, Asia-Pacific, Japan and the Philippines. The business of the Opposer consists of the design, manufacture and sale of luxury consumer items for personal and household use and the

provision of related services. Opposer's broad range of products includes jewelry, watches and clocks, household wares, vases, trophies and fancy items for personal use including clothing accessories such as scarves, neckties and belts. In its more than one hundred fifty years of existence, Opposer has long enjoyed a worldwide reputation for producing high-quality luxury goods. And to ensure the high quality of goods bearing the TIFFANY trademarks, Opposer does not license its marks for use by others. Opposer also obtained registrations for its trademarks TIFFANY and TIFFANY & CO. from various countries around the world.

In 1993, two years prior to Respondent-Applicant's alleged first use of the trademark TIFFANY & CHINESE CHARACTER on 05 January 1996, Opposer started commercial sales of its products in the Philippines, through its distributor, Rustan's Department Store. For the first nine months of its operations in the Philippines, Opposer's sales amounted to over US\$500,000. This was because, even before the opening of its Manila branch, the name and reputation of the Opposer has become established in the Philippines through the sale of TIFFANY merchandise around the world and the publication of various articles and advertisements thereon, not to mention the movie classic "Breakfast at Tiffany's". Far-reaching advertising and promotional efforts have also been undertaken by the Opposer to further establish its name and reputation in the Philippines. Magazines and newspapers such as The Manila Times, Philippine Daily Inquirer, Sunday Inquirer Magazine, The Manila Chronicle and Manila Standard, among others, have featured the opening of the TIFFANY & CO. boutique at the Rustan's Department Store.

Thus, it is clear from the foregoing that between the Opposer and the Respondent-Applicant, the former has sufficiently proven that it is the prior user of the trademark TIFFANY, in the Philippines and around the world, and is therefore entitled to protection from infringement thereof. Consequently the mark TIFFANY & CHINESE CHARACTER of Respondent-Applicant cannot be allowed registration for being confusingly similar to Opposer's trademark, TIFFANY.

The purpose of the law in protecting a trademark cannot be over-emphasized. 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 a market a superior article of merchandise the fruit of his industry and skill, and to prevent fraud and imposition (*Etepha vs. Director of Patents, ibid.*). Today, the trademark is not only a symbol of origin and goodwill --- it is often the most effective agent for the actual creation and protection of goodwill. In other words, the mark actually sells the goods. The mark has become the "silent salesman". It has become a more convincing selling point than even the quality of the articles to which it refers. (*Mirpuri vs. Court of Appeals, 318 SCRA 516*)

Also taken into consideration by this Office is the fact that TIFFANY is likewise the tradename of the Opposer corporation, which in 1868 was founded under the name TIFFANY AND COMPANY. In the case of *Converse Rubber Corporation vs. Universal Rubber Products, Inc. (147 SCRA 155)*, the Supreme Court ruled that a corporation is entitled to the cancellation of a mark that is confusingly similar to its corporate name. Appropriation by another of the dominant part of a corporate name is an infringement. The risk of damage is not limited to the possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source.

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Consequently, Application bearing Serial No. 114848 for the mark "TIFFANY & CHINESE CHARACTER (which means 'YELLOW')" filed by WINSTON HANKIES & NEEDLECRAFT CO. on 16 October 1996 is hereby REJECTED.

Let the filewrapper of TIFFANY & CHINESE CHARACTER subject matter of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this Decision, with a copy thereof to be furnished the Bureau of Trademarks (BOT) for information and update of its records.

SO ORDERED.

Makati City, March 7, 2004.

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