



PHILIP MORRIS PRODUCTS, S.A.,
Opposer,

-versus-

BENSON & HEDGES (OVERSEAS)
LIMITED,
Respondent-Applicant.

}
} IPC No. 14-2010-00272
} Opposition to:
} Appln. Serial No. 4-2010-002653
} Date Filed: 10 March 2010
} TM: "BULLS-EYE (DEVICE)"
}
}
}
}
}
}
}
}
}
}
}

x-----x

NOTICE OF DECISION

FEDERIS & ASSOCIATES

Counsel for the Opposer
2005 88 Corporate Center
141 Valero corner Sedeno Streets,
Salcedo Village, Makati City

QUISUMBING TORRES


Counsel for Respondent-Applicant
12th Floor, Net One Center
26th Street corner 3rd Avenue
Crescent Park West, Bonifacio Global City
Taguig City

GREETINGS:

Please be informed that Decision No. 2015 - 192 dated September 16, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 16, 2015.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III.
Bureau of Legal Affairs



PHILIP MORRIS PRODUCTS, S.A.

Opposer,

-versus-

**BENSON & HEDGES (OVERSEAS)
LIMITED,**

Respondent-Applicant.

x-----x

IPC NO. 14-2010-00272

Opposition to:

App. Ser No. 4-2010-002653

Date Filed: 10 March 2010

TM: **BULLS-EYE (DEVICE)**

Decision No. 2015- 192

DECISION

PHILIP MORRIS PRODUCTS, S.A. ("Complainant")¹ filed an opposition to Trademark Application Serial No. 4-2010-002653. The application filed by BENSON & HEDGES (OVERSEAS) LIMITED.² ("Respondent-Applicant"), covers the mark "BULLS-EYE (DEVICE)" for use on "cigarettes, tobacco, tobacco products, lighters, matches, smoker's articles" under Class 34 of the International Classification of Goods.

The Opposer alleges the following:

"1. The subject trademark which consists merely of an ordinary geometric figure of a circle, is devoid of any distinctive character and incapable of distinguishing the goods of Respondent-Applicant from the goods of another enterprise; as such, the subject trademark is a designation that cannot function as a source identifier and may not be registered under Sec. 121.1 of the IP Code;

"2. The subject trademark lacks the requisite distinctiveness because it consists of a plain and ordinary image or representation of a circle which immediately and unmistakably describes to relevant consumers of tobacco, cigarettes and other tobacco products, to be the representation or image of the top view or bottom view of a cigarette stick; as such, the subject trademark is merely descriptive because it solely and exclusively designates the kind, nature, quality, intended purpose, characteristics of the goods covered by the application and therefore incapable of registration under Sec. 123.1 (j) of the IP Code;

"3. The subject trademark is not registrable because it has not acquired distinctiveness through use as required under Sec. 123.2 of the IP Code;

"4. The subject trademark, represent the shape of one end of a cigarette stick, thus, for being a shape that is essentially functional, its registration is proscribed under Section 123.1 (k) of the IP Code;

¹ A corporation duly established and existing in accordance with the laws of Switzerland with principal address Quai Jeanrenaud 3, 2000 Neuchatel, Switzerland.

² A corporation duly established and existing in accordance with the laws of United Kingdom with principal address at lobe House 4, Temple Place London, WC2R 2PG England.

"5. Opposer stands to be damaged by the registration of the subject trademark in the name of the Respondent-Applicant. The registration of the subject trademark will diminish or restrict Opposer's right or freedom to use an ordinary geometric figure which should rightfully be openly and freely available to any member of the public such as the opposer herein. The registration of the subject trademark will confer upon Respondent-Applicant a monopoly over the use of a plain and ordinary geometric figure, contrary to public policy of free competition, to the damage and prejudice of Opposer and other persons or entities similarly situated.

Opposer's evidence consists of the following:

1. Exhibit "A" - Legalized Affidavit of Maria del Mar Oliva Galvan;
2. Exhibit "B" - Legalized Special Power of Attorney executed by Philip Morris Products S.A.;
3. Exhibit "C" - Affidavit of Amando S. Aumento, Jr.

This Bureau issued on 01 December 2010 a Notice to Answer and personally served a copy thereof to Respondent-Applicant's counsel Quisumbing Torres Law Offices on 29 December 2010. After several motions for extension of time, Respondent-Applicant filed its Answer on 28 April 2011, alleging, among others, the following Defenses:

"14. Respondent is entitled to register the mark BULLS-EYE (DEVICE) under the IP Code;

"15. Respondent's mark BULLS-EYE (DEVICE) is capable of exclusive appropriation as a trademark.

"15.1. Respondent's mark BULLS-EYE (DEVICE) is a distinctive sign. The mark BULLS-EYE (DEVICE) presents the elements and features of distinctiveness required under the IP Code, which allow it to be differentiated from the competitor's products on the market;

"15.2. Respondent's mark BULLS-EYE (DEVICE) is a perceptible sign. The mark BULLS-EYE (DEVICE) has the ability to be materialized in the outside world, as it can be appreciated through the eye and be pronounceable and heard by any consumer;

"15.3. Respondent's mark BULLS-EYE (DEVICE) is capable of graphic representation. The mark BULLS-EYE (DEVICE) has the capability to be materially represented as being a trademark which has a particular graphical representation;

"16. Respondent's BULLS-EYE (DEVICE) is distinctive and meets all the requirements and characteristics required for registration under the IP Code;

xxx

"17. Trademarks with similar distinctive elements as Respondent's mark BULLS-EYE (DEVICE) have been granted registration by the Philippine Intellectual Property;

xxx

"18. Respondent's BULLS-EYE (DEVICE) is one of the distinctive elements of the well-known LUCKY STRIKE brand which is registered in the name of Respondent with the Philippine Intellectual Property Office. xxx

"19. The Respondent's mark BULLS-EYE (DEVICE) has acquired distinctiveness by virtue of long and exclusive use by itself or as an essential element of the well-known and registered LUCKY STRIKE marks. The mark BULLS-EYE (DEVICE) constitutes a development of existing elements of the LUCKY STRIKE brand which clearly indicates a determined business origin. Thus, the average consumers would easily be able to identify the mark BULLS-EYE (DEVICE) with the Respondent, establishing its distinctiveness and ability to differentiate itself from competitors in the market.

"20. Respondent and its affiliates have extensively promoted the mark BULLS-EYE (DEVICE) by itself and in conjunction with the LUCKY STRIKE brand worldwide, including in the Philippines. Over the years, Respondent and its affiliates have obtained significant exposure over the products upon which the mark BULLS-EYE (DEVICE) is used in various media, including television commercials, outdoor advertisements, internationally well-know print publications, and other promotional events. Through extensive sales and marketing campaigns, Respondent and its affiliates have managed to implant in the minds of consumers the mark BULLS-EYE (DEVICE) in connection with cigarettes and tobacco products and business.

"21. By registering the BULLS-EYE (DEVICE), Respondent seeks to give protection to a distinctive element or a variation of its well-known and registered LUCKY STRIKE brand which consists of a set of elements with sufficient distinctiveness for registration, and which Respondent and its predecessors in interest have been using for many years.

"22. The Respondent's mark BULLS-EYE (DEVICE) is also registered in the name of Respondent and/or its affiliated company British American Tobacco (Brands) Inc. in numerous countries, a clear recognition of the inherent distinctiveness of the mark.

xxx

23. Based on the foregoing, the mark BULLS-EYE (DEVICE) is undoubtedly distinctive and capable of exclusive appropriation. Opposer cannot rightfully claim any relief against Respondent. Therefore, the opposition is completely baseless and should be dismissed outright. "

The Respondent-Applicant's evidence consists of the following:

1. Exhibit "2" and sub-markings - Affidavit of Nicholas John Mercer with Annexes 1-7;
2. Exhibit "3" - Legalized Certificate of Authority of Nicholas John Mercer;
3. Exhibit "4" -Certified true copy of Certificate of Registration No. 64312 for the mark LUCKY STRIKE ITS TOASTED LUCKIES LABEL;
4. Exhibit "5" -Certified true copy of Certificate of Registration No. 4-1994-94157 for the mark LUCKY STRIKE L.S./M.F.T. LABEL;
5. Exhibit "6" -Certified true copy of Certificate of Registration No. 4-1998-007418 for the mark LUCKY STRIKE LIGHTS (LABEL IN COLOR);
6. Exhibit "7" -Certified true copy of Certificate of Registration No.4-2004-009962 for the mark LUCKY STRIKE ORIGINAL SILVER (LABEL);

7. Exhibit "7" -Certified true copy of Certificate of Registration No.4-2004-009962 for the mark LUCKY STRIKE ORIGINAL SILVER (LABEL);

8. Exhibit "7" -Certified true copy of Certificate of Registration No.4-2004-009962 for the mark LUCKY STRIKE ORIGINAL SILVER (LABEL);

9. Exhibit "8" -Certified true copy of Certificate of Registration No.4-2004-009963 for the mark LUCKY STRIKE ORIGINAL RED (LABEL); and

10. Exhibits "9" to "27" - Copies of Certificate of Trademark Registrations issued in Andorra, Armenia, Azerbaijan, Benelux, Chile, China, Colombia, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Lebanon, Netherlands, Paraguay, Russian Federation, Switzerland, Tajikistan, Turkmenistan and Uzbekistan.

After the termination of the preliminary conference, Respondent-Applicant filed its Position Paper on 02 November 2011. Opposer did not submit its Position Paper. On 17 December 2012, Opposer filed a Supplemental Position Paper. On 01 February 2013 Respondent-Applicant filed a Manifestation and Motion to Expunge. On 12 February 2013, Opposer filed a Counter-Manifestation. On 11 March 2013, Respondent-Applicant filed a Supplement to its Manifestation and Motion to Expunge.

Before going on to the main crux of the controversy, this Bureau will deal first with the technical or procedural issue. Records will show that in Opposer's Supplemental Position Paper, Opposer submitted additional evidence, which were not attached to the Verified Opposition when it was filed. These additional evidence is the subject of the Motion to Expunge filed by Respondent-Applicant. On the other hand, Respondent-Applicant has likewise attached additional evidence in its Supplement to its Manifestation and Motion to Expunge. Should these additional evidence be admitted by this Bureau?

It must be pointed out that when the verified opposition was filed, the rules in effect at that time was Office Order No. 79 Series 2005, otherwise known as the "Amendments to the Regulations on Inter Partes Proceedings." Sec. 12.1., Rule 2 of Office Order 79 provides:

12.1. The verified petition or opposition, reply if any, duly marked affidavits of the witnesses, and the documents submitted, shall constitute the entire evidence for the petitioner or opposer. The verified answer, rejoinder if any, and the duly marked affidavits and documents submitted shall constitute the evidence for the respondent. Affidavits, documents and other evidence not submitted and duly marked in accordance with the preceding sections shall not be admitted as evidence.

Corollary, Sec. 14.3 further provides:

14.3. Immediately after the termination of the preliminary conference, the Hearing Officer shall issue an order requiring the parties to submit their respective position papers and, if desired, draft decisions within a non-extendible period of ten (10) days from receipt of the said order. **The position papers, and the draft decisions, if any, shall take up only those matters and issues covered or alleged in the Petition or Opposition and the Answer, the supporting evidence, and those determined during the Preliminary**

Conference. No new matters or issues shall be raised or included in the position papers, and draft decisions, if any. Any such new matters or issues shall be disregarded.

It is very clear from the above-cited rules that only those documents submitted together with opposition or answer, reply and rejoinder shall be considered as the evidence of the parties and no new evidence or issues shall be tackled nor admitted during the submission of position papers. Accordingly, the additional evidence submitted by Opposer in its Supplemental Position Paper and Respondent-Applicant's Supplement to its Manifestation and Motion to Expunge are inadmissible and cannot be considered by this Bureau in resolving this case.

Anent the issue on whether the mark **BULLS-EYE (DEVICE)** should be registered, Opposer anchors its opposition on Section 123.1 (j) of the IP Code.

The mark of Respondent-Applicant being opposed is herein reproduced:



Section 123.1 (j) of the IP Code provides:

123.1 A mark cannot be registered if it:

(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 services, or other characteristics of the goods or services.

Corollary, Sec. 123.2 of the IP Code also states:

123.2, As regards signs or devices mentioned in paragraph (j), (k), and (l), nothing shall prevent the registration of any such sign or device which has become distinctive in relation to the goods for which registration is requested as a result of the use that have been made of it in commerce in the Philippines. The Office may accept as *prima facie* evidence that the mark has become distinctive, as used in connection with the applicant's goods or services in commerce, proof of substantially exclusive and continuous use thereof by the applicant in commerce in the Philippines for five (5) years before the date on which the claim of distinctiveness is made.


Pursuant to the above-cited provisions, a mark which is descriptive cannot be registered. "Descriptive marks convey the characteristics, functions, qualities or ingredients of a product to one who has never seen it or does not know it exists."³ In this regard, a closer look at the subject trademark would show that it does not readily describe Respondent-Applicant's tobacco products contrary to Opposer's contention that it represents the top view or bottom view of a cigarette stick. Regardless of the angle or one's vantage point, the device comprising the mark cannot be seen or perceived, as the top view or bottom of a cigarette. This Bureau finds that the Respondent-Applicant's BULLS-EYE device mark, a "composition of various concentric circles in colors gray, white and black", is distinctive as a trademark capable of distinguishing the product of Respondent-Applicant from the others. In fact, the same device in combination of the red circle device mark encircled by three concentric circles of white, grey green and black and its other variants that have been used by Respondent -Applicant, have gain recognition as a source identifier of its various tobacco products also.

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. The mark applied for registration by Respondent-Applicant meets this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2010-002653, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 16 September 2015.


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

³ *McDonald's Corporation et. Al. v. L.C. Big Mak Burger, Inc., G.R. No. 143993. August 18, 2004.*