



IMPERIAL TOBACCO LIMITED,
Opposer,

-versus-

NANYANG BROTHERS TOBACCO
COMPANY LIMITED,
Respondent-Applicant.

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IPC No. 14-2012-00001
Opposition to:
Application No. 4-2011-009799
Date Filed: 17 August 2011
TM: "IMPERIAL HAPPINESS"

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NOTICE OF DECISION

SAPALO VELEZ BUNDANG AND BULILAN
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6776 Ayala Avenue, Makati City

NANYANG BROTHERS TOBACCO COMPANY LIMITED
c/o A.Q. ANCHETA AND PARTNERS
Counsel for Respondent-Applicant
Suites 1008-1010 Paragon Plaza
EDSA corner Reliance Street
Mandaluyong City

GREETINGS:

Please be informed that Decision No. 2015 - 227 dated October 27, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 27, 2015.

For the Director:


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



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 -versus- }
 NANYANG BROTHERS TOBACCO }
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 Opposition to:
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 Date Filed: 17 August 2011
 Trademark: "IMPERIAL
 HAPPINESS"
 Decision No. 2015- 227

DECISION

IMPERIAL TOBACCO LIMITED¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-009799. The application, filed by Nanyang Brothers Tobacco Company Limited² ("Respondent-Applicant"), covers the mark "IMPERIAL HAPPINESS" for use on "*cigarettes; tobacco; smokers' articles; matches*" under Class 34 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"The grounds for the opposition to the registration of the 'IMEPRIAL HAPPINESS' trademark are as follows:

"1) Opposer is the first to adopt, use and register worldwide including the Philippines, the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks for goods/products and services falling under International Classes 34 and 35, and therefore, under Section 147 of Republic Act (R.A.) No. 8293, enjoy the right to exclude others from registering or using identical or confusingly similar marks such as Respondent-Applicant's trademark 'IMPERIAL HAPPINESS' for goods falling under the same International Class 34.

"2) There is a likelihood of confusion between Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks and Respondent-Applicant's trademark 'IMPERIAL HAPPINESS' because the latter trademark so resembles Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks in terms of sound, appearance, spelling, meaning, and connotation as to likely, when applied to or used in connection with the goods of Respondent-Applicant, cause confusion, mistake and deception on the part of the purchasing public as being a trademark owned by the Opposer, hence, the Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark cannot be registered in the Philippines pursuant to the express provision of Section 147.2 of R.A. No. 8293. No doubt, the use of

¹A foreign corporation organized and existing under the laws of United Kingdom, with business address at P.O. Box 244, Upton Road Bristol BS99 7UJ, United Kingdom.

²With address at 9 Tsing Yeung Circuit, Tuen Mun, New Territories, HongKong.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark will indicate a connection between its products and those of the Opposer's products and services.

"3) Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks for goods and services falling under International Classes 34 and 35 are well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large, as being the marks owned by the Opposer, hence, Respondent-Applicant's application to register its mark was done in bad faith.

"4) Respondent-Applicant, in adopting 'IMPERIAL HAPPINESS' for its goods, is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association with the Opposer, or as to origin, sponsorship, or approval of Respondent-Applicant's goods by the Opposer, for which it is liable for false designation of origin, false description or representation under Section 169 of R.A. No. 8293.

"5) As Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks form part of opposer's tradename IMPERIAL TOBACCO LIMITED, such marks are protected under Article 8 of the Paris Convention in relation to Article 2.1 of the TRIPS Agreement. Respondent-Applicant, therefore, is proscribed from registering the 'IMPERIAL HAPPINESS' mark.

"Opposer relies on the following facts to support its opposition:

"1) Opposer is the first adopter, prior user, and exclusive owner of the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks.

"Opposer is the first adopter, prior user, and exclusive owner of the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks. It has adopted, used and registered the said marks in many countries all over the world.

"Opposer's products are available in over one hundred sixty (160) countries and have a reputation in the tobacco industry and known to a significant number of consumers of tobacco goods. Sometime in 1985, Opposer consolidated its tobacco business and drastically increased its efficiency in the manufacture of tobacco products. In 1996, Opposer was listed in the London Stock Exchange. In 2001, Opposer acquired Tobacco, the largest cigarette manufacturer in sub-Saharan Africa, with expanding interest in Vietnam. In 2002, Opposer acquired 'Reemtsma Cigarettenfabriken GmbH', a German-based, international company with strong market positions in Germany, Western Europe, and Asia. In 2006, Opposer acquired the worldwide 'Davidoff' cigarette trademark. In 2007, Opposer entered the US market when it acquired the Commonwealth Brands. In 2008, Opposer acquired Altadis, the world's fifth largest cigarette manufacturer and owner of the iconic 'Gauloises' cigarette brands and the world leader in cigars.

"The above-enumerated expansion and acquisitions by Opposer have made its 'IMPERIAL TOBACCO' and 'IMPERIAL' marks well-known around the world.

"A copy of the Affidavit of Opposer's witness, Mr. Trevor Williams, is herein attached x x x

"In the Philippines, Opposer was issued a certificate of registration by the Intellectual Property Office of the Philippines (IPOPHL) for the mark 'IMPERIAL

TOBACCO' on February 10, 2011 under Registration No. 4-2010-501056 covering goods and services under classes 34 and 35. Copy of the pertinent certificate of registration is hereto attached x x x

"The 'IMPERIAL TOBACCO' and 'IMPERIAL' marks are also registered and/or applied for registration in over one hundred fifty (150) countries worldwide long before the appropriation and filing of the application for registration of the 'IMPERIAL HAPPINESS' mark by Respondent-Applicant. A copy of the list containing the countries where Opposer has obtained registrations and filed applications for registration for its 'IMPERIAL TOBACCO' mark is attached x x x

"In addition, Opposer has a pending Philippine application for the mark 'IMPERIAL' which was filed on June 23, 2011 under Application No. 4-2011-500890 covering goods in class 34. Copy of the said trademark application is hereto attached x x x

"2) There is confusing similarity between Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks and Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark.

"Respondent-Applicant's trademark 'IMPERIAL HAPPINESS' is confusingly similar to Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks in sound, appearance, spelling, meaning, and connotation as to likely cause confusion.

"Respondent-Applicant's trademark 'IMPERIAL HAPPINESS' contains/uses 'IMPERIAL', the dominant word in the Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks. The use of the said word 'IMPERIAL', in Respondent-Applicant's trademark does not avoid the probability of confusion among consumers, since the word is identical to the dominant word 'IMPERIAL' in Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks. Hence, the trademarks are confusingly similar.

"Moreover, the likelihood of confusion and deception are even greater since the goods of Opposer and Respondent-Applicant are identical and/or related, and are made available to the same consuming public and in the same channels of distribution. Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark cover goods belonging to International Class 34 while Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks are used for products falling under International Class 34. Particularly, Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark covers cigars and cigarettes (class 34), while Opposer's products bearing its 'IMPERIAL TOBACCO' and 'IMPERIAL' marks include tobacco, tobacco products, cigars and cigarettes belonging to class 34. As Respondent-Applicant's and Opposer's goods belong to the same class and are evidently identical and/or related, confusion is very likely.

"3) Opposer's 'IMPERIAL TOBACO' and 'IMPERIAL' marks are internationally well-known; Respondent-Applicant's application for registration of the 'IMPERIAL HAPPINESS' trademark was filed in bad faith.

'The marks 'IMPERIAL TOBACCO' and 'IMPERIAL' which Opposer adopted and exclusively owned are internationally well-known. Opposer has registrations and filed applications for registration of the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks in more than one hundred fifty (150) countries around the world such as the Philippines, Malaysia, India, Indonesia, Lebanon, Singapore, Taiwan, Thailand, as well as Europe,

among others. Moreover, Opposer is constantly referred to and is known in the tobacco industry as 'IMPERIAL'.

"Through extensive and substantial sales of its products and services, Opposer's 'IMPERIAL' and 'IMPERIAL TOBACCO' marks and Corporate Logo are well-known throughout the world, including the Philippines. A copy of Opposer's Annual Financial Report for 2011, showing the sales and income of Opposer all over the world is hereto attached as Exhibit 'D' while a copy of Opposer's Regional Overview in Asia for the year 2006 showing Opposer's presence in the Asian market likewise attached herein as x x x

"Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks have further expanded during the last twenty (20) years in terms of the marks' geographical standpoint and product segments. Specifically, in terms of geography, the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks are literally used in member states of the European Union. Also, the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks made substantial growth and exposure in Asia, Africa, Australia, New Zealand, Vietnam and China.

"The marks 'IMPERIAL TOBACCO' and 'IMPERIAL' are valuable assets of Opposer considering that they have become part of the national culture in Opposer's established markets. Under the said marks, Opposer has been known to produce, market and sell valuable tobacco products. In fact, Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks have been advertised through the relevant media intensively and for a long period of time. As early as 1900, almost all relevant consumers are aware of the 'IMPERIAL TOBACCO' and 'IMPERIAL' marks.

"In the Philippines, Opposer has registered its 'IMPERIAL TOBACCO' mark. It also has a pending application for the 'IMPERIAL' mark. The reputation and goodwill of the Opposer and its 'IMPERIAL TOBACCO' and 'IMPERIAL' marks are well-known all over Europe, Africa, China, and Australia, as providing quality products, through the century. Thus, Respondent-Applicant's application for registration of the 'IMPERIAL HAPPINESS' mark is clearly designed and intended to exploit and capitalize on the goodwill and popularity of Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks to the latter's damage and prejudice.

"4) The use of Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark on its products would indicate a connection between the said products and the goods covered in Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks. Hence, Opposer's business interest is likely to be damaged.

"Respondent-Applicant's products are clearly similar and/or related to Opposer's products covered by its 'IMPERIAL TOBACCO' and 'IMPERIAL' marks. Undoubtedly, the use of Respondent-Applicant's 'IMPERIAL HAPPINESS' trademark definitely misleads the public into believing that its goods originate from or are licensed or sponsored by Opposer, or that Respondent-Applicant is associated with or an affiliate of Opposer.

"Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks have been in existence since 1901 and have been referred to in the tobacco industry as 'IMPERIAL TOBACCO' and 'IMPERIAL' marks of the Opposer. Clearly, Respondent-Applicant has appropriated the trademark 'IMPERIAL HAPPINESS' for the obvious purpose of capitalizing upon or riding on the valuable goodwill and popularity of the Opposer's

'IMPERIAL TOBACCO' and 'IMPERIAL' marks. This clearly constitutes an invasion of Opposer's intellectual property rights.

"The use by Respondent-Applicant of 'IMPERIAL HAPPINESS' mark will dilute the distinctiveness of Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks.

"Also, the use, sale and distribution by the Respondent-Applicant of products bearing the 'IMPERIAL HAPPINESS' trademark will constitute a mockery of our laws protecting intellectual property rights. It will likewise legitimize Respondent-Applicant's unfair and unlawful business practice.

"5) Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks form part of Opposer's tradename, IMPERIAL TOBACCO LIMITED. Hence, Opposer's marks are protected under Article 8 of the Paris Convention in relation to Article 2.1 of the TRIPS Agreement.

"Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks form part of its tradename, IMPERIAL TOBACCO LIMITED. It is rather clear therefore that Opposer's 'IMPERIAL TOBACCO' and 'IMPERIAL' marks are protected under Article 8 of the Paris Convention in relation to Article 2.1 of the TRIPS Agreement.

"Having all of the above considered, it is clear that Application Serial No. 4-2011-009799 covering the mark 'IMPERIAL HAPPINESS' is proscribed. In other words, the subject application for the registration of the Respondent-Applicant's 'IMPERIAL HAPPINESS' mark should not be allowed.

"6) Opposer reserves the right to present such other documents as may be necessary to prove the foregoing allegations in the course of the proceedings.

The Opposer's evidence consists of a copy of the Affidavit of Opposer's witness, Mr. Trevor Williams, Deputy Company Secretary of Imperial Tobacco Limited; a copy of the Certificate of Registration No. 4-2010-501056 for the mark "IMPERIAL TOBACCO" issued on 10 February 2011; a copy of the list containing the countries where Opposer has obtained registrations and filed applications for registration for its "IMPERIAL TOBACCO" mark; a copy of the Trademark Application No. 4-2011-500890; a copy of the Opposer's Annual Financial Report for 2011; and a copy of Opposer's Regional Overview in Asia for the year 2006 showing Opposer's presence in the Asian Market⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 23 March 2012. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark IMPERIAL HAPPINESS?

⁴ Marked as Exhibits "A" to "E", inclusive.

It is emphasized that 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.⁵

Thus, Sec. 123.1 (d) and Sec. 165 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provide:

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

x x x

(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;"

Sec. 165. *Trade Names or Business Names.* - 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

165.3. The remedies provided for in Sections 153 to 156 and Sections 166 and 167 shall apply *mutatis mutandis*.

165.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Subsections 149.2 to 149.4 shall apply *mutatis mutandis*.

Records show that at the time the Respondent-Applicant filed its trademark application on 17 August 2011, the Opposer has an existing trademark registration for IMPERIAL TOBACCO (LABEL) under Certificate of Registration No. 4-2010-501056 issued on 10 February 2011. The registration covers tobacco, whether manufactured or unmanufactured; tobacco products; cigarettes; cigars; tobacco substitutes, none being for medicinal or curative purposes; matches and smokers' articles, in Class 34. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

application, i.e. cigarettes; tobacco; smokers' articles; matches under Class 34, are similar to the Opposer's.

A comparison of the competing marks reproduced below:



Imperial Happiness

Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur. What draws the eyes and the ears with respect to the Respondent-Applicant's mark is the word "IMPERIAL". "IMPERIAL" is the prominent, in fact, the definitive feature of the Opposer's trademarks IMPERIAL TOBACCO (LABEL) and IMPERIAL covered under Trademark Registration No. 42010501056 and Trademark Application No. 4-2011-500890. Trademark Registration No. 4-2010-501056 and Trademark Application Serial No. 4-2011-500890 cover "tobacco, whether manufactured or unmanufactured; tobacco products; cigarettes; cigars; tobacco substitutes, none being for medicinal or curative purposes; matches and smokers' articles" under Class 34, product or goods which the Opposer deals in under the IMPERIAL HAPPINESS mark. It is likely therefore, that a consumer who wishes to buy tobacco products and is confronted with the mark IMPERIAL HAPPINESS, will think or assume that the mark or brand is just a variation of or is affiliated with the Opposer's IMPERIAL TOBACCO (LABEL) and IMPERIAL trademarks.

The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁶

⁶ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

A handwritten signature in blue ink, located in the bottom right corner of the page.

Also, Opposer has been using IMPERIAL TOBACCO not only as a trademark but also as trade name or business name. As a trade name, IMPERIAL TOBACCO is protected under Section 165 of the IP Code.

There is no doubt, therefore, that the subject trademark application is covered by the proscription under Sec. 123.1 (d) and Section 165 of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-009799 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 27 October 2015.


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