



CROWN MELBOURNE LIMITED,
Opposer,

-versus-

**GUANGZHOU EASTERN CROWN HOTEL
INVESTMENT MANAGEMENT GROUP
LIMITED,**
Respondent- Applicant.

}
}
}
}
}
}
}
}
}
}
}
}

IPC No. 14-2015-00289
Opposition to:
Appln. Serial No.4-2015-00500435
Date Filed: 28 January 2015
TM: "EASTERN CROWN"

x-----x

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES
Counsel for the Opposer
Suite 2005 88 Corporate Center
141 Valero Street, Salcedo Village
Makati City

HECHANOVA AND CO., INC.
Counsel for Respondent-Applicant
Ground Floor, Chemphil Bldg.
851 Antonio Arnaiz Avenue
Makati City

GREETINGS:

Please be informed that Decision No. 2016 - 158 dated May 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 31, 2016.

For the Director:


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

"48. Because the CROWN Marks are registered trademarks, then the Opposer is recognized by law as the one vested with trademark rights over the use of the word CROWN. Thus, Section 122 of the IP Code states-

x x x

"49. Jurisprudence confirms the registration effectively protects the dominant part of the registered trademark. This is the whole rationale behind the Dominancy Test which is a doctrine expounded in McDonald's Corporation vs. L.C. Big Mak Burger, Inc.:

x x x

"50. This is reiterated in the 2007 case of McDonald's Corp. vs. MacJoy Fastfood Corp. as follows:

x x x

"51. Clearly, only the Opposer has exclusive trademark ownership and rights over the word CROWN arising from the registrations of trademarks bearing this word.

"52. And it cannot be argued by the Respondent-Applicant that the addition or presence of the other words in its opposed trademark, namely, EASTERN, or the Chinese characters displayed with the words EASTERN CROWN, washes away confusing similarity because precisely, the Dominancy Test will only consider the confusing similarity in the dominant feature/s of the trademark, and here, it is the word CROWN, which is dominant in the opposed trademark.

"53. Likewise, it has been held in Philips Export B.V. et al., vs. Court of Appeals, et al., that such addition is but slight variation employed as a fraudulent means to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name, thus:

x x x

"54. Indeed, the well-settled rule is that the presence of other words and/or symbols will not erase the offense of infringement; there will still be confusing similarity even in the presence of such words if the copying of the dominant word results in the two marks becoming confusingly similar.

"55. For instance, the dominant feature in the trademark PLANTERS COCKTAIL PEANUTS and PHILIPPINE PLANTERS CORDIAL PEANUTS is the word PLANTERS, and it was ruled that appropriation of such dominant word makes the two marks confusingly similar despite the presence of other words not found in the contending marks.

"56. Also, the trademark UNIVERSAL CONVERSE and DEVICE was held as confusingly similar to CONVERSE RUBBER CORPORATION notwithstanding the presence of other words not found in the other mark, on the ruling that the copied word CONVERSE is dominant and therefore, it was deemed as giving rise to likelihood of confusion among the purchasers.

"57. Applying the foregoing rules, the addition of the word EASTERN used with the words CROWN in the subject application does not make it relevantly different to the Opposer's CROWN Marks.

"58. This Hon. Office itself determined the presence of confusing similarity in its decision in Societe Des Produits Nestle, S.A. vs. Foodworld Manufacturing Corporation, which denied the application for YES CAFÉ based on the opposition filed by the owner of the trademark NESCAFÉ by citing Continental Connector Corp., vs. Continental Specialties Corp., and Co Tiong SA vs. Director of Patents, as follows:

x x x

"59. Confusing similarity is indeed a foregone conclusion because the opposed mark is to be used in respect of the same class of services, i.e., class 43 (the goods and services specified for the opposed mark in class 35 are discussed below). In the case of Heirs of Crisanta Y. Gabriel-Almoradie vs. CA, et al., that any difference between 2 contending trademarks, such as difference in some letters, will be completely ignored as a slight differentiation only, as there is already confusion by the 'sheer weight' of the fact that the contending marks will be used on related services.

x x x

"60. And having established the identity of the parties' dominant element, the Respondent-Applicant's trademark must be rejected based on Section 123.1 (d) (i) and (ii) of the IP Code under which a trademark must not be allowed to register if it is identical with an earlier mark and also used on same goods or services. Thus:

x x x

"61. In addition, Section 147.1 affirms the protection given to a registered mark, by recognizing the owner as vested with exclusive right, thus:

x x x

"62. Sections 123 and 147.1 are of pivotal importance in the resolution of what marks cannot be registered. Courts have granted the Intellectual Property Office the power to reject a mark being applied for registration with outright rejection if it copies a mark already used and registered.

"63. Thus, the Supreme Court in the cited 2007 case of McDonald's Corp. vs. MacJoy Fastfood Corp., where the exclusive right of McDonald's to the prefixes Mc and MAC was upheld as against MACJOY, stated:

x x x

"64. In the instant case, there can be no question that between the parties, the Opposer is the first to register, and the first to file applications for trademark registration for marks containing the word CROWN. The subject Application was only filed on January 28, 2015, but the Opposer holds certificates of registration, enumerated in paragraph 41, which have earlier filing dates and earlier registration dates.

"65. Thus, solely on the basis of Sections 123 and 147 of the IP Code, the opposed mark must be rejected outright.

"66. Sections 123.1 (e) and (f) of the IP Code protects well-known marks such as the Opposer's CROWN Marks.

"67. Setting the criteria for what may be declared well-known is Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, quoted below thus:

x x x

"68. The Opposer has adequately proven that its trademarks are indeed internationally famous following the criteria listed in Rule 102 above. Consider the following:

x x x

"69. The burden of proof required to prove well-known status has been sufficiently met. In fact by comparison, the Opposer has presented more evidence supporting fame when compared to the evidence present in the case of Sehwan, Inc. and/or Benita's Frites, Inc., where the fame of the trademark IN-N-OUT was declared to be famous under Section 123.1 (e) and (f). In said case the Court said:

x x x

"70. Protection is likewise guaranteed by the Philippines' commitment under Art. 6bis of the Paris Convention, thus:

x x x

"71. The totality of the evidence presented in this case justifies the declaration of the Opposer's CROWN Marks as well-known.

"72. There is a temptation to argue that there is no confusing similarity with respect to services covered under Class 35 covered by the opposed trademark are unrelated with the Opposer's Class 43 services.

"73. Assuming, without conceding, that the services are unrelated, the Code nevertheless accords protection to the registered and well-known trademark even if the goods are unrelated under Section 123.1 (f) of the IP Code.

"74. And precisely, the Supreme Court cited this section as an exception to the rule espoused in the case of Esso Standard Inc. vs. CA and its predecessor cases of Faberge, Inc. vs. Intermediate Appellate Court and Pearl Dean (Phils.), Inc. vs. Shoemart, Inc., in its decision in 246 Corporation vs. Hon. Reynaldo Daway, thus:

x x x

"75. Thus, because the Opposer's CROWN Marks are registered and at the same time well-known, then the question that the goods or services they cover are unrelated to the goods and services under the opposed mark, becomes irrelevant, since the law expands protection to a registered mark that is also well-known also to goods and services that are unrelated to what it covers.

"76. What constitutes bad faith, and for that matter, fraud in registration? This is answered by this Hon. Office in Mustang-Bekleidungsweke GMBH+Co. KG. vs. Hung Chiu Ming,:

x x x

"77. And there are various markers that indicate who among claimants would be the bad faith copycat.

x x x

"78. The reason why in the case of identical marks there is a need to cite a plausible explanation for the origin of the mark is because there is a presumption that arises that the trademark must have been deliberately copied is not the result of pure

coincidence. As held in *Converse Rubber Corporation vs. Universal Rubber Products, Inc.*:

x x x

"79. As reiterated in *Shangri-La*:

x x x

"80. Applying the foregoing jurisprudential rules, all the bad faith markers are present in the subject application.

"81. First, the fact that the marks are nearly identical shows that a coincidental adoption by the Respondent-Applicant is simply not credible. Second, it is the Opposer which can show that it is the first to adopt and register anywhere in the world the CROWN Marks in respect of Opposer's goods and services. Third, obviously therefore, the Respondent-Applicant is the junior user in the relevant set of facts. Fourth, the Opposer's CROWN Marks are widely seen and viewed all over the Internet and accessible globally, that presence spawns viral knowledge of the Opposer's CROWN Marks, reaching all corners of the globe. Therefore, it is highly likely that the Respondent-Applicant had knowledge of the Opposer's CROWN Marks at the time it filed the subject trademark application.

"82. Clearly, there is bad faith in the Respondent-Applicant's use and adoption of the opposed mark. This bad faith should operate to prevent the registration of the subject mark, as held in the afore-cited *Mustang-Bekleidungswerke*:

x x x

"83. There is no question that CROWN is the trade name of both the Opposer and many of its subsidiaries and affiliated companies.

"84. This alone sufficiently bars the challenged application because, under Section 165.2 of the IP Code, a trade name such as a corporate name, belonging to one, cannot be registered as a trademark by another, whether or not the trade name is registered.

x x x

"85. As held in *Fredco*, this protection is based on treaty provisions, namely, Article 6sexies and 8 of the Paris Convention, and the protection exists in favor of the foreign corporation even if it has not registered the corporate name in the Philippines, thus:

x x x

"86. The rationale is stated in *General Garments Corporation vs. The Director of Patents and Puritan Sportswear*:

x x x

"87. Similarly, in *Western Equipment and Supply Co. v. Reyes and Red Line Transportation Co. v. Rural Transit Co.*, it was uniformly held as follows:

x x x

"88. In *Western*, it was particularly ruled as follows:

x x x



"89. This basic doctrine was reiterated in recent years, particularly, in Philips Export B.V. et at., vs. Court of Appeals, et al.

"90. There is thus no quibbling about the application of this protection in the case at hand. An earlier trade name or business name should be off limits to junior applicants like the Respondent-Applicant herein.

"91. Section 168.1 of the IP Code provides:
x x x

"92. Likewise, Section 123.1 (g) provides:

"93. In this regard, it is settled that ordinary consumers are guided merely by what they see or hear of the marks or their memory thereof and not by discriminate examination of the products as held in Lim Hoa vs. Director of Patents.

"94. The cited Del Monte case would emphasize this rule as follows:
x x x

"95. To protect consumers from the likelihood of confusion, because of confusingly similar marks, the instant application must be rejected.

"96. And more importantly, since it is the Opposer's CROWN Marks which have first captured the public's mind through consistent and sustained advertising and marketing worldwide, including in the Philippines, there is no doubt that its solid goodwill inheres in its trademarks.

"97. The Civil Code of the Philippines identifies goodwill of a business as property. And the protection of goodwill involving intellectual property is enshrined in the IP Code in the following words:
x x x

"98. Goodwill involving intellectual property is acquired by a trademark through continued use, quality of goods or services, and ingenuity of the business. As held in Dela Rama Steamship Co. vs. National Dev. Co.:
x x x

"99. And goodwill of intellectual property is proven by evidence of continuous use, promotions and advertising, as confirmed in Levi Strauss (Phils.), Inc. vs. Vogue Traders Clothing Company, thus:
x x x

"100. Under the law, a person will be deemed to be riding on the goodwill of a trademark belonging to another if he comes out with a colorable imitation of the trademark, as taught in Levi's, thus:
x x x

"101. Applying the foregoing rule, it is undeniable that the goodwill of CROWN Marks is amply proven by the Opposer's evidence of the successful business that the Opposer has carried on for many years now thanks to the extensive promotions and advertisement particularly through the Internet which allows viral spread of information all over the planet.

"102. This has resulted in the Opposer's awards and accolades in the industry.

"103. The Respondent-Applicant thus should be deemed as riding on this goodwill by coming out with a nearly identical mark.

"104. The blatant copying by the Respondent-Applicant creates the perfect scenario that demands the question often asked of one who adopts a prior mark despite all surrounding circumstances pointing to an utter lack of connection between the business history of the applicant and the third party's trademark. Of the boundless choice of marks that one can use to identify their goods and/or services, why would the Respondent-Applicant choose the trademark of the Opposer? The answer in this case is clearly to unfairly take advantage of the Opposer's goodwill in its trademarks.

The Opposer's evidence consists of the affidavit of Kylie Burchmore, Group General Manager for Sales & Marketing Strategy, Hotels, Retail and Food and Beverage at Crown Melbourne Limited; copy of the Notice of Opposition in Inter Partes Case No. 14-2015-00126; affidavit of Kylie Burchmore in IPC No. 14-2015-00126; copy of Company Extract for Crown Melbourne Limited derived from the Australian Securities and Investments Commission's database; copy of Company Extracts for Crown Entertainment Group Holdings Pty Ltd and Crown Resorts Limited, which show use of the word CROWN in their trade name and corporate name; copy of schedule of the Opposer's Australian registered CROWN Marks and pending applications for CROWN Marks; copy of schedule of the Opposer's international registered CROWN Marks and pending applications for CROWN Marks; copies of the certificates of registration of the Opposer's CROWN Marks; list of some of the Opposer's domain names and registrations; print outs from the following social media accounts of Opposer; list of the travel agencies and travel management companies where Opposer had commercial arrangements; printouts and downloaded pages from the following websites which feature or promote the Opposer and its services; samples of promotions made by leading airlines and holiday and travel companies; lists of trade shows and events held at the Opposer's premises; examples of promotional materials and websites that have promoted the AUSSIE MILLIONS poker championship throughout the world; examples of the promotional materials where the Opposer has extensively used the CROWN mark and other CROWN marks in its sponsorship of the 'Crown Oaks' horse race; proofs or evidence that the Opposer's establishments, including the Crown Entertainment Complex, have hosted a number of musical, comedy and artistic performance acts; examples of national and international publications which refer to and display the CROWN marks and have described the Opposer's activities in Australia and around the world; examples of publications in government and other third party tourist publications and media releases; lists discussing in detail Crown's achievement and awards and providers of awards, which were obtained from the website <http://www.crownresorts.com.au/about-us/crown-achievements-and-awards>; examples of press features for the opening of the City of Dreams Manila; a print-out of the City of Dreams' website found at [7

!\[\]\(3d8c13c92b853674f749aac6fa869926_img.jpg\)](http://www.crowntowers-</p></div><div data-bbox=)

manila.com; examples of press features for CROWN TOWERS Manila; affidavit of Diana Rabanal; Special Power of Attorney issued by Opposer; corporate secretary's certificate proving the authority of Rowen Bruce Craigie and Michael James Neilson to sign in behalf of the Opposer; affidavit of Diana Rabanal dated May 11, 2015; Special Power of Attorney issued by Opposer in IPC No. 14-2015-00126; company secretary's certificate proving the authority of Kenneth McRae Barton and Michael James Neilson to sign in behalf of the Opposer in IPC No. 14-2015-00126; copy of the Certificate of Trademark Registration No. 4-2007-005757 for CROWN issued in the Philippines; copy of Trademark Application No. 4-2014-009015 for CROWN issued in the Philippines; copy of Certificate of Trademark Registration No. 4-2007-005890 for CROWN Spray Device issued in the Philippines; copy of Certificates of Trademark Registration No. 4-2014-008182 for CROWN Spray Device; copy of Certificate of Trademark Registration No. 4-2007-005756 for CROWN TOWERS issued in the Philippines; copy of Trademark Application No. 4-2014-009014 for CROWN TOWERS issued in the Philippines; copy of Decision NO. 2012-200 issued by the Bureau of Legal Affairs in an opposition entitled "Crown Melbourne Limited vs. Crown Link Properties, Inc." docketed as Inter Partes Case No. 14-2008-0015 1 and copy of Entry of Judgment dated December 26, 2012 issued in an opposition entitled "Crown Melbourne Limited vs. Crown Link Properties, Inc." docketed as Inter Partes Case No. 14-2008-00151.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 14 September 2015. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark EASTERN CROWN?

The Opposer anchors its opposition on Sections 123.1, paragraphs (d), (e) and (f) and Section 147.1 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

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;"

- (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

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

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 service 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;

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

A comparison of the competing marks reproduced below:

**CROWN
TOWERS**

CROWN



Opposer's trademarks



Eastern Crown
东皇

Respondent-Applicant's mark

shows that confusion is likely to occur. Even with the presence of the chinese characters above and below the word CROWN and the addition of the word EASTERN, to the Bureau's mind, top of the mind recall would be the word CROWN. The distinctive feature of the Opposer's mark is the word CROWN, which was appropriated by the Respondent-Applicant. Thus, EASTERN CROWN is confusingly similar to Opposer's CROWN marks. Because the Respondent-Applicant's trademark application covers services that are similar and/or closely related to the Opposer's, particularly, advertising, marketing and promotional services under Class 35 and hotel and

restaurant services/operations under Class 43, it is likely that the consumers will have the impression that these services originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods/services 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.⁵

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods or services, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. 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.⁶

Records show that at the time the Respondent-Applicant filed its trademark application on 28 January 2015, the Opposer already owns trademark registration nos. 42007005757, 4207005890, 42014008182 and 42007005756 and has pending applications for the CROWM marks in the Philippines. These registrations and applications cover advertising, marketing and promotional services under Class 35 and hotel and resort services under Class 43.

Opposer proved that it is the originator of the CROWN marks, using these marks primarily for hotels and temporary accommodations. In fact, Opposer has been using CROWN not only as a trademark but also as trade name or business name. As a trade name, CROWN is protected under Section 165 of the IP Code, to wit:

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,

⁵ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Eihepa 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).

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.

Likewise, this Bureau has previously sustained the opposition for registration of trademark also appropriating the word "CROWN". In Inter Partes Case No. 14-2008-00151 entitled "Crown Melbourne Limited vs. Crown Link Properties, Inc."⁷, this Bureau held that:

"The Opposer's goods and services (under classes 39, 41 and 43) are among other things, hotels, restaurants, casinos, bars, theaters, entertainment services, facilities for various events/activities, and the advertisement and promotion thereof. Its mark CRWON, therefore, is naturally and logically visible through signages so that the public will know that it offers the said services. This mark is also the name seen and heard via different media in relation to advertisement and promotion. A customer therefore, may commit mistake in assuming that a building or structure bearing the mark CROWN is owned by or connected to the Opposer when in fact it belongs to the Respondent-Applicant..."

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2015-500435 is hereby SUSTAINED. Let the filewrapper of the

⁷ Decision No. 2012-200 dated 15 October 2012.

⁸ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.

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, 31 MAY 2016.


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