

PHILIP MORRIS PRODUCTS S.A.,
Opposer,

-versus-

JAPAN TOBACCO INC.,
Respondent- Applicant.

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} IPC No. 14-2012-00265
}
} Opposition to:
} Appln. Serial No. 4-2011-005658
} Date Filed: 17 May 2011
} TM: "ACTIVATE FRESHNESS
} with representation of
} Camel and Design"

NOTICE OF DECISION

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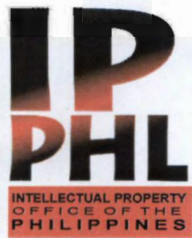
GREETINGS:

Please be informed that Decision No. 2016 - 226 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 01, 2016.

For the Director:


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



PHILIP MORRIS PRODUCTS S.A.,
Opposer,

IPC No. 14-2012-00265
Opposition to:

- versus -

Application Serial No. 4-2011-005658
Date filed: 17 May 2011

Trademark: **ACTIVATE FRESHNESS**
with representation of Camel and Design

JAPAN TOBACCO INC.,
Respondent-Applicant.

Decision No. 2016 - 226

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DECISION

PHILIP MORRIS PRODUCTS S.A. (“Opposer”)¹ filed a Verified Notice of Opposition to Trademark Application Serial No. 4-2011-005658. The application, filed by JAPAN TOBACCO INC. (“Respondent-Applicant”)², covers the mark “ACTIVATE FRESHNESS with representation of Camel and Design” for use on “*raw or manufactured tobacco; smoking tobacco, pipe tobacco, rolling tobacco, chewing tobacco, so called ‘snus’ tobacco powder, cigarettes, cigars, cigarillos; smoking substances sold separately or mixed with tobacco for non-medical or non-therapeutic purposes; snuff, articles included in Class 34, cigarette paper, cigarette tubes and matches*” under Class 34 of the International Classification of Goods and Services.³

The Opposer alleges that the registration of the subject trademark will damage and prejudice its rights as well as of other companies in the tobacco industry because the words “ACTIVATE” and “FRESHNESS,” are descriptive designations of the main features of certain cigarette products, to wit:

“12. Various tobacco companies are selling cigarettes which incorporate a flavor capsule in their filters. When this flavor capsule is activated by the adult smoker, it releases a flavor such as Menthol into the filter of the cigarette. x x x The second flavor will be released only if the adult smoker decides to activate or to make active the capsule.

x x x

¹ A company organized and existing under the laws of Switzerland, with principal office address at Quai Jeanrenaud 3, CH-2000 Neuchatel, Switzerland.

² A company organized and existing under the laws of Japan, with principal office address at 2-2-1 Toranomom, Minatu-ku, Tokyo, Japan.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

“14. Thus, the word ‘activate’ is commonly used in the tobacco industry x x x In fact, it is even used for other cigarette products which do not incorporate this capsule flavor.

x x x

“24. The words ACTIVATE and FRESHNESS are clearly descriptive of this cigarette product. Indeed, the verb ACTIVATE describes the action required by the adult smoker to activate the capsule incorporated in the cigarette filter to release a second flavor and the word ‘FRESHNESS’ describes the quality and characteristic of the product that is cigarettes with Menthol flavor.

x x x

“26. And even Respondent-Applicant cannot deny that ACTIVATE and FRESHNESS describe the feature of its own version of this cigarette as they have been using these words in a descriptive manner for the designated products.

x x x

“30. The Respondent-Applicant is also using the word ‘ACTIVATE’ in the language(s) of the (non-English speaking) country where the corresponding products are sold. x x x

“31. Being clearly descriptive, the words ACTIVATE and FRESHNESS should not be allowed registration in favor of Respondent-Applicant, as this would blatantly deprive and bar Opposer/PMI and/or other cigarette manufacturers from using these words to describe their products to the public.”

The Opposer’s evidence consists of the following:

1. Affidavit and Special Power of Attorney executed by Jan Vidjeskog, Director of Philip Morris Products S.A.;
2. Marketing and promotional materials showing that the main elements of the subject trademark “ACTIVATE FRESHNESS WITH REPRESENTATION OF A CAMEL AND DESIGN” are the description of the essential features of the goods on which they are used;
3. Photographs of the Respondent-Applicant’s products at the point of sales;
4. Affidavit of Opposer’s Counsel;
5. Certified true copy of the Extract from the Commercial Register issued by the Companies Registry of the Canton of Neuchatel and the corresponding English translation submitted in IPC No. 14-2009-00045 showing the existence of the Opposer;
6. A printout of Opposer and PMI’s website, www.pmi.com; and,
7. A printout of http://www.moodiereport.com/print.php?c_id=12&doc_id=28801 which shows how the subject trademark application is used.

On 21 December 2012, the Respondent-Applicant filed its Answer alleging that the adoption of the word “FRESHNESS” in the subject mark cannot serve as basis for the Opposition because the Respondent-Applicant already disclaimed the exclusive use of such word. It is also alleged that the Opposer is estopped from questioning the registrability of the word “ACTIVATE” as it, itself, believes that “ACTIVATE” is not distinctive and capable of registration, in view of Opposer’s active registration bearing the word “ACTIVATE.”⁴

Furthermore, Respondent-Applicant avers that:

⁴ International Registration No. 1064972 for the mark “ACTIVATE 2 IN 1”.

“32. As the trademark owner-registrant of various marks bearing the word ‘ACTIVATE,’ Respondent-Applicant has the right to use the same to its advantage and such right cannot be prejudiced. ‘ACTIVATE’ being itself a registered mark, it is clear that the word is not descriptive and functions as a sign capable of distinguishing Respondent-Applicant’s goods from those others. The use of the word ‘ACTIVATE’ in the subject mark is another manner by which the Respondent-Applicant is exercising its right as a trademark owner over the mark ‘ACTIVATE.’

x x x

“45. x x x Respondent-Applicant uses the word ‘ACTIVATE’ neither as a descriptive term nor a generic term. Respondent-Applicant’s use of the word ‘ACTIVATE’ is, at the most, merely suggestive which is allowed under our trademark law.

x x x

“48. x x x the word ‘ACTIVATE,’ whether or not combined with the word ‘FRESHNESS,’ is not being used to describe the products covered by the subject mark. It does not ‘convey the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is.’ It likewise does not ‘convey an immediate idea of the ingredients, qualities or characteristics of the goods.’ x x x

x x x

“51. In fact, in a similar controversy decided by the Republic of Croatia State Intellectual Property Office (‘Croatia IPO’), the Opposer argued, albeit to no avail, that ‘ACTIVATE’ is a descriptive term. To the contrary, the Croatia IPO held in a Decision dated 4 April 2012 that the mark ‘ACTIVATE’ in no way describes the action that the consumer must take to enjoy the convenience of the flavor of a cigarette that has a capsule in the filter. Opposer never filed any appeal to question the ruling of the Croatia IPO which has now become final. x x x

“53. In using the words ‘ACTIVATE’ and ‘FRESHNESS,’ Respondent-Applicant is actually performing a ‘word play’ in order to make the consumer think and imagine as to how ‘freshness’ may be brought about. To emphasize, if there are terms to describe the manner by which the flavor within the capsule is brought out, these may be the words ‘RELEASE’ or ‘DEPRESS,’ x x x ‘ACTIVATE’ merely sheds some light upon certain characteristics of the goods and involves an element of incongruity, figurativeness, or imaginative effort on the part of the observer.”

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

1. Authenticated Certificate executed by Alan Minto, IP Vice-President of JT International SA with an attached;
2. Authenticated copy of the General Power of Attorney executed by Hiroshi Kimura, Chief Executive Officer of JT International SA;
3. Certified True Copy of Trademark Application No. 4-2011-000617 for the mark “ACTIVATE”;
4. Certified True Copy of Notice of Allowance bearing mailing date of 15 April 2011⁵;

⁵ Notice of Allowance bearing mailing date of 15 April 2011 states that Trademark Application No. 4-2011-000617 “has been allowed and its publication in the Official Gazette pursuant to Sec 132.2 of RA 8293, has been approved.”

5. Copy of pertinent page of the IPO e-Gazette publishing Trademark Application No. 4-2011-000617;
6. Certified True Copy of the Certificate of Registration for Trademark Registration No. 4-2011-000617;
7. Certified True Copy of Trademark Application No. 4-2011-005658 for the mark "CAMEL LABEL DESIGN XLIX COLOR ACTIVATE FRESHNESS (IN COLOR)";
8. Certified True Copy of a Registrability Report bearing mailing date of 27 October 2011⁶;
9. Certified True Copy of Response to the Registrability Report bearing mailing date of 27 October 2011;
10. A Certified True Copy of the Notice of Allowance bearing mailing date 17 April 2012⁷;
11. Copy of pertinent page of the IPO e-Gazette publishing Trademark Application No. 4-2011-005658;
12. Certified True Copies of Respondent-Applicant's registrations for the word mark "ACTIVATE" in the following jurisdictions: Belgium-Netherlands-Luxembourg, France, Latvia, Romania, Spain and Switzerland;
13. Certified True Copies of Respondent-Applicant's registrations for the words "ACTIVATE" and "FRESHNESS" in Japan, Mexico, Switzerland and Ukraine;
14. A printout of the international registration details found in WIPO-ROMARIN for International Registration No. 1064972 for the mark "ACTIVATE 2 IN 1"; and,
15. Certified True Copy of the English translation of the Croatian IPO Decision dated 4 April 2012.

Should the Respondent-Applicant be allowed to register the trademark "ACTIVATE FRESHNESS with representation of Camel and Design?"

The Opposer anchors its Opposition on Section 123.1(j) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), which provides that:

"Section 123. Registrability. —

123.1 A mark cannot be registered if it: x x x

(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 the services, or other characteristics of the goods or services;"

It is the Opposer's main contention that the Respondent-Applicant's mark "ACTIVATE FRESHNESS with representation of Camel and Design" should be denied registration for being descriptive of goods under Class 34; while Respondent-Applicant contends that the subject mark is at most, merely suggestive.

⁶ The Registrability Report provides for the following findings:

"9.1 The applicant should submit: certified true copy of foreign registration as evidence of claim of priority. If the foreign registration is in [a] language other than English, submit an English translation.; 9.2 The mark appearing in the application form does not correspond to the drawing/printout/reproduction of the mark submitted. Amend the title of the mark to "ACTIVATE FRESHNESS WITH REPRESENTATION OF A CAMEL AND DESIGN" to correspond to the mark appearing in the submitted reproduction of the mark; and 9.3 Disclaim "FRESHNESS" for being descriptive of the kind and other characteristics of the good."

⁷ Notice of Allowance bearing mailing date of 17 April 2012 states that Trademark Application No. 4-2011-005658 "has been allowed and its publication in the Official Gazette pursuant to Sec 132.2 of RA 8293, has been approved."

In *Societe Des Produits Nestle, S.A. vs. Court of Appeals*⁸, the Supreme Court had the opportunity to define descriptive marks, to wit:

“x x x Generic terms are those which constitute the common descriptive name of an article or substance, or comprise the genus of which the particular product is a species, or are commonly used as the name or description of a kind of goods, or imply reference to every member of a genus and the exclusion of individuating characters, or refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product, and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is, or if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods, or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.” (*Emphasis supplied*)

In the same case, the Supreme Court also explained the concept of suggestive marks, viz.:

“x x x Suggestive terms are those which, in the phraseology of one court, require imagination, thought and perception to reach a conclusion as to the nature of the goods. Such terms, which subtly connote something about the product, are eligible for protection in the absence of secondary meaning. While suggestive marks are capable of shedding some light upon certain characteristics of the goods or services in dispute, they nevertheless involve an element of incongruity, figurativeness, or imaginative effort on the part of the observer.” (*Emphasis supplied*)

Thus, the difference between descriptive and suggestive marks is that a consumer has to exercise his imagination to understand the relationship between a suggestive mark and the product; while a mark is likely to be found descriptive when “the mark’s dictionary definition corresponds with its meaning and context.”⁹

Since the Respondent-Applicant has already disclaimed the word “FRESHNESS,” the subject of the controversy is the registrability of the word “ACTIVATE”; and a quick perusal of the dictionary gives the following definitions¹⁰:

activate —

“used as transitive verb:

to make active or more active: as

a (1): to make (as molecules) reactive or more reactive; (2) to convert (as a provitamin)

b: to make (a substance) radioactive

c: to treat (as carbon or alumina) so as to improve adsorptive properties

d (1) to set up or formally institute (as a military unit) with the necessary personnel and equipment; (2) to put up (an individual or unit) on active duty”

“used as an intransitive verb:

to become active”

⁸ *Societe Des Produits Nestle, S.A. vs. Court of Appeals* (356 SCRA 207).

⁹ *Xtreme Lashes, LLC vs. Xtended Beauty, Inc* 576 F.3d 221, 232 (5th Circ. 2009).

¹⁰ Merriam Webster, available at <http://www.merriam-webster.com/dictionary/activate> (last accessed 23 June 2016).

Clearly, the word "ACTIVATE," in its normal and natural sense, is capable of being interpreted in various ways. Therefore, if attached to or associated with any of the products under Class 34, one has to employ a certain level of imagination, thought and perception to fully understand what exactly "ACTIVATE" denotes, and how it is related to the product. As both parties submit, certain cigarettes in the tobacco industry contain a filter that releases a special flavor when 'activated'; in this sense, "ACTIVATE" as a mark merely hints at or suggests the nature and characteristics of this product without actually describing it.

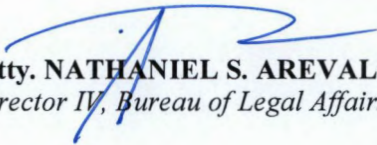
Such being the case, the Respondent-Applicant's "ACTIVATE FRESHNESS with representation of Camel and Design" mark is registrable within the purview of the law.

WHEREFORE, premises considered, the Opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2011-005658 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City,

30 JUN 2016


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