

| PHILIP MORRIS PRODUCTS, S.A., Opposer, | } } } | IPC No. 14-2011-00504 Opposition to: Appln. Serial No. 4-2010-012347 Date Filed: 15 November 2010 |
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| -versus- | } } } | TM: "CLICK (WORD-BLOCK LETTERS" |
| BRITISH AMERICAN TOBACCO (BRANDS)., LIMITED, | } | |
| Respondent- Applicant. | X | |

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES

Counsel for the Opposer Suite 2005 88 Corporate Center 141 Valero St., Salcedo Village Makati City

QUISUMBING TORRES LAW OFFICES

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

GREETINGS:

Please be informed that Decision No. 2016 - 95 dated March 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 31, 2016.

For the Director:

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

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE



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| Respondent-Applicant. | } | 12.00 |
| X | -X | Decision No. 2016 |

DECISION

PHILIP MORRIS PRODUCTS, S.A.1 ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-012347. The application, filed by BRITISH AMERICAN TOBACCO (BRANDS) LIMITED² ("Respondent-Applicant"), covers the mark "CLICK (WORD - BLOCK LETTERS)" for use on "cigarettes; tobacco; tobacco products, lighters, matches; smokers' articles" under Class 34 of the International Classification of Goods.3

The Opposer alleges, among others, the following:

- "1. The word 'click' is not capable of denoting the source of goods on which it is used because it merely describes the kind, quality, feature and characteristic of the goods; thus, its registration is prohibited under Section 123.1 (j) of the IP Code.
- "2. 'Click' is merely descriptive of the features of the goods listed in the subject application, as it immediately and unmistakably describes the manner of using the goods which can release a flavor by clicking a capsule located in the filter of the cigarette, and also the manner of operating lighters whose buttons are clicked to start the flame that lights cigarettes.
- "3. If the subject application is allowed, Opposer and other third parties being in the same competing business could be denied the ability to use the term 'click' to describe how its own competing products are used or operated, thereby also depriving the public the ability to make a wellinformed decision in selecting which of the competing products to buy.
- "4. The registration of 'CLICK' as a trademark in the name of Respondent-Applicant would confer upon Respondent-Applicant a monopoly over the use of a descriptive term, contrary to public policy of free competition, to the damage and prejudice of Opposer and other persons or entities similarly situated."

In support of its opposition, the Opposer submitted the following evidence:

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A corporation organized and existing under the laws of Switzerland with principal address at Quai Jeanrenaud 3, 2000 Neuchatel, Switzerland.

²A foreign entity with address at Globe House 4, Temple Place London, WC2R 2PG England.

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.

Republic of the Philippines

- 1. Exhibits "A" to "A-1" certified copy of the decision of the Dominican Republic PTO and the corresponding English translation;
- 2. Exhibit "B" Affidavit of Jan Abigail L. Ponce;
- 3. Exhibit "C" legalized Special Power of Attorney;
- 4. Exhibits "D" to "D-1" certified true copy of the Extract from the Commercial Register of the Opposer issued by Companies Registry of the Canton of Neuchatel and the corresponding English translation;
- 5. Exhibit "E" article entitled "Tobacco Control Blog your Favorite BMJ Journal Joins the Blogosphere" by Ruth Malone and Becky Freeman;
- 6. Exhibit "F" article entitled "British American Tobacco: Is it a Good Buy?" by Iason Dalvagas;
- 7. Exhibit "G" news article entitled "BAT Converts Korea";
- 8. Exhibit "H" a news article entitled "BAT Offers 2-in-1 Taste Products";
- 9. Exhibit "I" article entitled "BAT Releases Lucky Strike Click and Roll in Asia Pacific";
- 10. Exhibit "J" an article entitled "Kent Cigarettes With Taste Transmission Technology Start Being Made in St. Petersburg";
- 11. Exhibit "K" an article entitled "BAT Korea Launches New Product";
- 12. Exhibits "L" to "L-2" photographs of Lucky Strike and Kent cigarettes which used click;
- 13. Exhibits "M" to "M-6" photographs of Kent and Dunhill cigarettes as used and marketed in South Korea;
- 14. Exhibits "N" to "N-1" photographs of Lucky Strike cigarettes which use click and sold in Chile;
- 15. Exhibit "O"- advertisement of Kent Switch convertible cigarettes which use click sold im Switzerland;
- 16. Exhibit "P" photograph of Lucky Strike sold and used in Hong Kong;
- 17. Exhibit "Q" photograph of Lucky Strike sold and used in Singapore;
- 18. Exhibits "R" to "R-5" photographs of Lucky Strike sold in Brazil;
- 19. Exhibits "S" to "S-1" advertisement and photograph of Dunhill Switch sold in South Africa:
- 20. Exhibits "T" to "T-1" photograph of Kool cigarettes sold In Costa Rica;
- 21. Exhibit "U" to "U-4" photograph of Lucky Strike cigarettes, advertisements and product information materials sold in Venezuela;
- 22. Exhibit "V" to "V-7" photographs of marketing and promotional material for Lucky Strike sold in Argentina;
- 23. Exhibits "W" to "W-6" photographs of actual Camel cigarettes, marketing and promotional materials using the word click which are sold in the U.S.A.;
- 24. Exhibits "X" to "X-27" photographs of A FLAVA cigarettes, marketing and advertising materials, points of sale, using click;
- 25. Exhibit "Y" to "Y-3" photographs of Lucky Strike and Kool cigarettes, marketing and advertising materials used in Colombia.

On 12 January 2012, this Bureau issued a Notice to Answer and served the same to Respondent-Applicant's counsel on 24 January 2012. After several motions for extension of time to file answer, Respondent-Applicant filed the Answer on 23 April 2012, alleging that the opposition be dismissed outright for the following reasons:

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[&]quot;I. Opposer has no legal standing to file the instant Opposition;

[&]quot;II. Respondent's mark is clearly distinctive and entitled to registration;

"III. Evidence submitted by Respondent consisting of extraneous use of the Respondent's mark is immaterial in the instant case; and

"IV. Opposer's cited Dominican Republic Decision has little or no persuasive value in light of Respondent's submitted evidence."

The Respondent-Applicant's evidence consists of the notarized affidavit of Stuart Paul Aitchison with Annexes and Special Power of Attorney.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 10 May 2012. On 29 May 2012, the Bureau's ADR Services submitted a report that the parties refused to undergo mediation. During the preliminary conference on 03 September 2012, the preliminary conference was terminated and the parties were directed to submit position papers. On 13 September 2012, Opposer filed its Position Paper while Respondent did so on 14 September 2012.

Should the Respondent-Applicant be allowed to register the mark "CLICK (WORD BLOCK LETTERS)"?

A trademark is any distinctive word, name, symbol, emblem, sign, or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold, or dealt by others. Indubitably, it is an intellectual property deserving protection by law.

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

CLICK

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.

Pursuant to the above-cited provision, a mark which is descriptive cannot be registered. In **Societe des Produits Nestle vs. Court of Appeals**⁴, the Supreme Court held:

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

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⁴ G.R. No. 112012, 04 April 2001.

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 <u>descriptive</u> 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 this regard, a closer look at the subject trademark would show that it does not readily describe Respondent-Applicant's cigarette, tobacco products or lighter contrary to Opposer's contention. When one sees or hears the mark "CLICK", it does not immediately come into mind that it pertains to cigarettes and/or tobacco products. The word "click" does not describe the goods the mark covers. At the very least, the words "CLICK" can be considered suggestive of the "technology" used in this type of cigarette product or the way a lighter is used. As a suggestive mark, the subject mark is still registerable.

The Opposer failed to present substantial evidence to prove that the mark "CLICK" is descriptive. It only presented articles and photographs of the Respondent-Applicant's products incorporating the "click" feature which even bolsters the fact that the latter has been extensively using the same and that it has gain recognition as a source identifier of its various tobacco products also. Further, while it claims that the said mark is descriptive, it did not show that "CLICK" is being used by other cigarette and/or tobacco companies apart from the Respondent-Applicant, not even its own. Settled is the rule that the one who alleges has the burden of proof.

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 Registration No. 4-2010-012347 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 31 March 2016.

ATTY. NATHANIEL S. AREVALO

// Director IV Bureau of Legal Affairs