

VICEROY CAYMAN LIMITED,
Opposer,

-versus-

MEGAWORLD CORPORATION,
Respondent-Applicant.

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IPC No. 14-2011-00210

Opposition to:

Appln. Serial No. 4-2010-005957

Date Filed: 02 June 2010

TM: VICEROY HOTEL

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 425 dated 25 November 2016 (copy enclosed) was promulgated in the above entitled case.

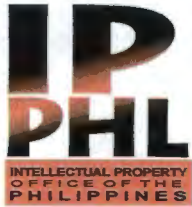
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 28 November 2016.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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DECISION

VICEROY CAYMAN LIMITED, (Opposer)¹ filed on 31 May 2011 an opposition to Trademark Application Serial No. 4-2010-005957. The application, filed by **MEGAWORLD CORPORATION** (Respondent-Applicant)², covers the mark “VICEROY HOTEL”, for use on “Real estate affairs”, “Real estate development”, “Entertainment” and “Services for providing food, drinks and temporary accommodation” under Classes 36, 37, 41 and 43 of the International Classification of Goods³.

The Opposer alleges, among other things, the following:

- “1. Opposer is a Cayman Islands exempt company existing under the laws of the Cayman Islands with registered address at Maples Corporate Services Limited, Ugland House, Grand Cayman, KY 1-1104, Cayman Islands.
- “2. Opposer and its affiliates including its U.S entity Viceroy Hotels L.L.C. (collectively referred to as “VICEROY HOTEL GROUP”) have been and still are engaged in the business of managing and operating sophisticated hotels and resorts, and providing other services typically associated with such hotels and resorts like gourmet dining, reservation services for hotel room accommodation and general purpose facilities for meetings and conferences.
- “3. Opposer and the VICEROY HOTEL GROUP have used the Trademark VICEROY in connection with their aforesaid business since 2002, and the mark VICEROY has since then and up to the present been used to identify its classy brand of hotel and resort management and related services.

¹ A Cayman Islands exempt company existing under the laws of the Cayman Islands with principle office at Maples Corporate Services Limited, Ugland House, Grand Cayman, KY 1-1104, Cayman Islands.

² A Philippine corporation with address at 28/F World Trade Centre Bldg., 330 Sen. Gil Puyat Ave., Makati City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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- “4. Opposer through the VICEROY HOTEL GROUP has registered the VICEROY mark in many countries of the world including the United States, and has pending applications for registration of the VICEROY mark in many other countries in the world, including the Philippines, where it has a pending application for registration of the mark VICEROY in classes 35, 36 and 43 docketed as Application No. 4-2010-006379 filed on June 15, 2010.
- “5. Opposer and the VICEROY HOTEL GROUP have widely used the mark VICEROY in their business of hotel and resort management and related services in different places in the world, and has been patronized by multitudes, as a consequence of which, said mark has become world famous, and associated to be owned exclusively by them. Hence, registration of the identical/similar mark VICEROY in the name of respondent-applicant is contrary to the clear provision of the GATT-TRIPS Agreement, and which treaties are being enforced in this jurisdiction by virtue of Section 123(e) of Rep. Act No. 8293 or the Intellectual Property (IP) Code which provides that:

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

xxx

(e) Is identical with, or confusingly similar to, or constitute 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 here, as being already the mark of a person other than the applicant for registration and used for identical or similar goods 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;xxx’

- “6. The respondent-applicant’s mark VICEROY HOTEL is almost identical and confusingly similar to Opposer’s mark VICEROY as to be likely, when applied to or used in connection with respondent-applicant’s services, to cause confusing or mistake and deceive the public, or the public may be led to believe that the business and services offered by respondent-applicant are owned by Opposer or originated from or are sponsored by the Opposer. Thus, the application for registration of the mark VICEROY HOTEL in the name of respondent-applicant should not be given due course and ought to be rejected outright because Opposer’s mark VICEROY is a world famous mark which is entitled to protection by virtue of aforesaid Sec. 123.1 (e) of the IP Code.”

The Opposer’s evidence consists of the sworn statement of Mary C. Pierson, chief financial officer of the Opposer.

Respondent-Applicant filed on 15 September 2011, its Answer alleging among other things, the following:

- “1. On 02 June 2010, Megaworld filed with this Honorable office its trademark

registration application for its mark "VICEROY HOTEL". At the time of filling the application, there was no pending registration or application for the mark "VICEROY HOTEL" by any other proprietor or applicant with this Honorable Office. Nor was Megaworld aware of any party using the same mark in the Philippines.

- "2. The mark "VICEROY HOTEL" was coined from the word "viceroyn", a noun which means the governor of a country or province who rules as the representative of a king or sovereign.
- "3. The word "viceroyn" is derived from the Latin prefix "vice" meaning "in the place of" and French word "roi" meaning "king"; thus, it literally means "in the place of the king".
- "4. The literal meaning of "viceroyn" is associated with the quality of the real estate projects of Megaworld and its target market/buyers and clients. Likewise, it matches the status of Megaworld in the Philippines as a leader in the residential condominium and office building development and a pioneer in the development of mixed-use communities that provide an integrated community with high-quality "live-work-play-learn" amenities within close proximity to each other.
- "5. Megaworld has garnered the distinction of being one of the leading real estate companies in the Philippines. These distinctions include awards from the prestigious Finance Asia as the Best Managed Company in the Philippines (2008, 2009), Best in Investor Relations (2008, 2009), and one of Asia's Best Managed Company (2009).
- "6. From 1989 to 1996, Megaworld garnered a reputation for building high-end residential condominiums and office buildings on a stand-alone basis throughout Metro Manila. In 1996, it shifted its focus to providing office buildings to support the Business Process Outsourcing (BPO) segment when it began development of the Eastwood City Cyberpark, which became the first IT park in the Philippines to be designated a PEZA special economic zone. Through the years, Megaworld and its affiliates have launched over 222 residential, office buildings and a hotel consisting in aggregate of more than 5.7 million square meters.
- "7. To date, Megaworld is recognized as the biggest BPO landlord in the Philippines. It has twenty-four (24) subsidiaries and associate companies under its helm, and, aside from Eastwood City, has five other township projects strategically located in the metropolis namely: Manhattan Garden City, a transit oriented mixed-use development located within the Araneta Commercial Complex at Cubao, Quezon City; Forbes Town Center at the Bonifacio Global City at Taguig City; Newport City at Pasay City, Metro Manila, a mixed-use development adjacent to the Villamor golf course and right across NAIA 3 Terminal; Cityplace, located at Manila at the heart of Chinatown; and McKinley Hill, a 50-hectare at development located in Fort Bonifacio, Taguig City, consisting of office, residential, retail, educational, entertainment and recreational properties. Three international schools, namely the Chinese International School, the Korean International School and Enderun College, a hotel management institution affiliated with Les Roches of Switzerland, have entered into agreements with Megaworld to build campuses in McKinley Hill.

Megaworld is also looking to develop Bonifacio Uptown, an approximately 15.5-Hectare property across McKinley Hill in Taguig City into mixed-use projects.

- “8. With these awards and accomplishments, and status as leader and a pioneer. It also represents Megaworld’s target market and client and is a symbol of their accomplishment and status as leaders and pioneers.”

Respondent-Applicant's evidence consists of the electronic print out of the website <http://merriam-website.com/dictionary/viceroy>; electronic print-out of <http://en.wikipedia.org/wiki/Viceroy> and <http://www.websters-online-dictionary.org/definition/viceroy> ; excerpt of Consolidated Financial Statements of Megaworld; excerpt from Finance Asia April 2011 issue; excerpt from, Jones Lang LaSalle Leechiu and electronic print-out of http://www.megaworld.corp.com/Projects/Our_Communities.aspx; list of contracting parties to treaty in electronic print-out of http://www.wipo.int/treaties/en/ShowResults.jsp?country_id-ALL&start_year-ANY&end_year=ANY&search_what+C&treaty_id-2.⁴

The Preliminary Conference was held on 1 March 2012. The Opposer failed to attend the preliminary conference while Respondent-Applicant was directed to file its position paper within ten days. The Respondent-Applicant filed its position paper on 12 March 2012.

Should the Respondent-Applicant be allowed to register the trademark “VICEROY HOTEL”?

The Bureau first resolves the technical issue raised by the Respondent-Applicant that the Opposer has no personality to oppose based on Section 4, Rule 2 of the regulations on *Inter Partes* proceedings which states that:

Section 4. Right of foreign corporation to sue in trademark or service mark enforcement action .- Any foreign national or juridical person whether or not engaged in business in the Philippines may bring a petition for opposition, cancellation or compulsory licensing: Provided, that the country of which he or it is a national, or domiciled, or has a real or effective industrial establishment is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law.

The Opposer is a company existing under the laws of the Cayman Islands, an overseas territory of the United Kingdom and claims that its affiliates which includes U.S. entity Viceroy Hotel L.L.C (collectively referred to as “VICEROY HOTEL GROUP”), are engaged in the business of managing and operating hotels and resorts worldwide. It claims to have registered its trademark VICEROY in the United States and other countries. Hence, Opposer is considered to have a real and effective establishment in a country which is party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party and as such, has the right to sue under Section 3 of Republic Act 82293, otherwise known as the Intellectual Property Code of the Philippines, (“IP Code”).

⁴ Exhibits “1” -“9”

The competing marks are reproduced below:

Opposer's mark

Respondent-Applicant's mark

VICEROY

VICEROY HOTEL

Going now to the main issue, Opposer alleges that it is the owner of the well-known mark, "VICEROY" used in hotel and resort management services worldwide together with the Viceroy Hotel Group. According to its witness, Mary C. Pierson, its Chief Financial Officer, the hotel is famous and is being patronized worldwide. After a thorough evaluation of the records and evidence, the Bureau finds that the Opposer's arguments deserve scant consideration.

Section 123.1 Paragraphs (e) and (f) of the IP Code, provides that a mark cannot be registered if it:

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(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 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 services 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;

Is the Opposer's mark internationally well-known?

Rule 102 of the Trademarks Regulations states that:

"Rule 102. Criteria for determining whether a mark is well-known. - In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- a. The duration, extent and geographical area of use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation

- at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b. The market share in the Philippines and in other countries of the goods and/or services to which the mark applies;
 - c. The degree of the inherent or acquired distinction of the mark;
 - d. The quality image or reputation of the acquired mark;
 - e. The extent to which the mark has been used in the world;
 - f. The exclusivity of the use attained by the mark in the world;
 - g. The commercial value attributed to the mark in the world;
 - h. The record of successful protection of the rights in the mark;
 - i. The outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
 - j. The presence or absence of identical or similar goods or services owned by persons other than the person claiming that his mark is a well known mark.”

The evidence failed to establish that VICEROY is well-known internationally and in the Philippines. There is no evidence to support the finding that Opposer used the mark VICEROY in the Philippines. The U.S. Registrations for the trademark VICEROY cannot be the basis for establishing its fame or popularity in the Philippines. There is no proof that the hotel services or resort management services have been established in the Philippines. What is truly objectionable to a finding that Opposer's VICEROY mark is well-known is that evidence of use are for establishments that are located abroad. According to Opposer it have spent tremendous amounts of money in promoting and advertising the VICEROY mark but there is no proof that it is operating in the Philippines.

While advertisement of a product or service is concededly a significant management tool for public information or promotional purposes, it is still incidental to the business enterprise, and is not the product or service itself. The fact remains however, that consumers cannot purchase in those places the goods or services to which the mark or brand is attached. Succinctly, the use of a trademark as a business tool refers to actual attachment thereof to the goods or services that are sold or availed of and located in the Philippines. The Supreme Court in *Kabushi Kaisha Isetan v. Intermediate Appellate Court*⁵ held:

The records show that the petitioner has never conducted any business in the Philippines. It has never promoted its tradename or trademark in the Philippines. It has absolutely no business goodwill in the Philippines. It is unknown to Filipinos except the very few who may have noticed it while travelling abroad. It has never paid a single centavo of tax to the Philippine government. Under the law, it has no right to the remedy it seeks.

There can be no question from the records that the petitioner has never used its tradename or trademark in the Philippines.xxx

⁵ G.R.No. L- 75420, 15 November 1991

Any goodwill, reputation, or knowledge regarding the name Isetann is purely the work of the private respondent. Evidence was introduced on the extensive promotional activities of the private respondent.

It might be pertinent at this point to stress that what is involved in this case is not so much a trademark as a tradename. Isetann Department Store, Inc. is the name of a store and not of product sold in various parts of the country. This case must be differentiated from cases involving products bearing such familiar names as "colgate", "Singer", "Toyota", or "Sony" where the products are marketed widely in the Philippines. There is not product with the name "Isetann" popularized with that brand name in the Philippines. Unless one goes to the store called Isetann in Manila, he would never know what the name means. Similarly, until a Filipino buyer steps inside a store called "Isetan" in Tokyo or Hongkong, that name would be completely alien to him. The records show that among Filipinos, the name cannot claim to be internationally well-known.

The records show, on the other hand, that the Respondent-Applicant has earned the reputation for building high end residential condominiums and office buildings throughout Metro Manila namely: Eastwood City, Manhattan Garden city, a transit oriented mixed-use development located within the Araneta Commercial Complex at Cubao, Quezon City; Forbes Town Center at the Bonifacio Global City at Taguig City; Newport City at Pasay City, Metro Manila, Cityplace, located at Manila at the heart of Chinatown; and McKinley Hill, a 50-hectare at development located in Fort Bonifacio, Taguig City.⁶ Moreover, Respondent-applicant has coined the word VICEROY HOTEL which is a derivative of the word "king" or "place of a king"⁷ to represent quality of the real estate projects and its target market/buyers and clients. The adoption by the Respondent-Applicant of the mark VICEROY HOTEL, who on its own account, has created a reputation in the Philippine real estate industry, will not lead to a likelihood of confusion with the Opposer's VICEROY mark.

WHEREFORE, premises considered. The opposition is hereby DISMISSED. Let the file wrapper of trademark Application Serial No. 4-2010-005957 for the mark "VICEROY HOTEL" together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 25 NOV 2016



ATTY. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs

⁶ Exhibit "7"

⁷ Exhibits "1" - "3"