



DUNHILL TOBACCO OF LONDON LIMITED,

Opposer,

-versus-

LUCIO INVESTMENTS LIMITED,

Respondent-Applicant.

X-----X

BRITISH AMERICAN TOBACCO (BRANDS) INC.,

Opposer,

-versus-

LUCIO INVESTMENTS LIMITED,

Respondent-Applicant.

X-----X

IPC No. 14-2013-00132

Opposition to:

Appln. Serial No. 4-2012-006999

Date Filed: 11 June 2012

TM: KENHILL

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 181 dated 01 June 2017 (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, 01 June 2017.

MARILYN F. RETUAL

IPRS IV

Bureau of Legal Affairs

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x-----x

Decision No. 2017- 181

DECISION

DUNHILL TOBACCO LONDON LIMITED¹ and BRITISH AMERICAN TOBACCO (BRANDS) INC.² ("Opposers") filed an opposition to Trademark Application Serial No. 4-2012-006999. The application, filed by Lucio Investments Limited³ ("Respondent-Applicant"), covers the mark "KENHILL" for use on "*ashtrays, not or precious metal, for smokers; cigarette paper; cigarettes; cigarillos; cigars; lighters for smokers; tobacco; all included in Class 34*" under Class 34 of the International Classification of Goods and Services.⁴

On 27 September 2013, Opposers filed a Joint Motion to Consolidate Opposition Proceedings of IPC Nos. 14-2013-00132 and 14-2013-00133, praying that the above-captioned cases be consolidated and jointly heard before this Honorable Bureau. As the said cases involve the same Respondent-Applicant, the same application, and have similar causes of action, and the Opposers are related companies, both being a part of the British American Tobacco p.l.c. group of companies, also known as the "BAT Group", this Bureau issued Order No. 2017-1127 dated 26 May 2017 granting the Joint Motion for Consolidation.

¹With address at Globe House, 4 Temple Place, London, WC2R 2PG, England.

²With address at 2711 Centerville Road, Suite 300, Wilmington, Delaware 19808, United States of America.

³With address at P.O. Boc 957, Offshore Incorporations Centre, Road Town, Tortola, Brt. Virgin Islands.

⁴The 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.

In its oppositions docketed as IPC Nos. 14-2013-00132 and 14-2013-00133, the Opposers contended essentially that the dominant feature KENHILL of the subject mark under Application Serial No. 4-2012-006999 filed on 11 June 2012, is visually and aurally confusingly similar to Opposers' "KENT" and "DUNHILL" trademarks. The salient portions of the oppositions substantiating are stated below, viz. :

x x x

"5. Respondent's KENHILL mark and Opposer's KENT (DUNHILL) Marks are visually and aurally confusingly similar. The contending marks are also intended for the same goods - tobacco and tobacco-related products in Class 34 - making consumer confusion all the more likely.

"6. Hence, this verified Notice of Opposition, which rests on the following grounds:

(a) Opposer is the prior user, applicant and registrant of the KENT (DUNHILL) Marks well before the filing date of Respondent's mark KENHILL, which was filed only on 11 June 2012. The registration details of the KENT (DUNHILL) Marks prominently featuring the 'KENT' (DUNHILL) word held by Opposer are as follows: x x x

(b) The Opposer's registrations and applications for the KENT (DUNHILL) Marks cover goods identical to that applied for Respondent's application - tobacco and tobacco related products in Class 34.

(c) The registration of the KENHILL mark is contrary to the provisions of Section 123.1 (d), (e), (f) and (g) of Republic Act No. 8293, as amended, which provides: x x x

(d) Visually, Respondent's KENHILL mark is nearly identical to Opposer's well-known 'KENT' (DUNHILL) word-mark and KENT (DUNHILL) Marks. This is shown by a simple side-by-side comparison of Opposer's marks, all pre-dominantly using the 'KENT' (DUNHILL) word mark, with Respondent's mark: x x x

(e) Respondent seeks to register the KENHILL mark for 'ashtrays, not of precious metal, for smokers; cigarette paper; cigarettes; cigarillos; cigars; lighters for smokers; tobacco; all included in Class 34', which are the same goods for which Opposer's KENT (DUNHILL) Marks are used and registered for.

(f) The competing marks, when read aloud, constitute idem sonans to a striking degree, which alone constitutes sufficient ground for the Honorable Office to rule that the marks are confusingly similar.

(g) The Opposer has extensively used and registered the KENT (DUNHILL) Marks in the Philippines and in other countries, thus making the said marks registered well-known trademarks.

(h) As owner of registered well-known trademarks, Opposer is entitled to a wider scope of protection under Philippine law and to protect its KENT (DUNHILL) Marks against marks that are liable to create confusion in the

minds of the public or used in bad faith under Article 6bis of the Paris Convention, thus: x x x

(i) If allowed to proceed to registration, the consequent use of Respondent's mark KENHILL will amount to unfair competition with and dilution of Opposer's KENT (DUNHILL) Marks, which have attained valuable goodwill and reputation through years of extensive and exclusive use. This is prohibited under Section 168 of the IP Code.

(j) Opposer's goodwill is a property right separately protected under Philippine law, and a violation thereof amounts to unfair competition proscribed under Article 10bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code: x x x

(k) The registration and consequent use of Respondent's KENHILL mark will result in a confusion of source or reputation, which is proscribed under the IP Code and applicable precedents; and

(l) Other provisions of the IP Code and related international agreements or conventions on the subject of intellectual property rights warrant the denial by this Honorable Office of Respondent's trademark application.

The Opposers' evidence consists of the Opposers' Notice of Opposition; supporting Affidavits of Stuart Paul Aitchison, the authorized attorney of Opposers; copies of Philippine Trademark Application Nos. 4-2011-000359 ("KENT BOOST") and 4-2012-004410 ("DUNHILL SINCE 1907 (Word and Device)"), both in Class 34; copies of Philippine Trademark Application Nos. 4-2012-011299 ("KENT HD & Trapezium & Sonic Design (Label) (2008)") and 4-2012-011377 ("DUNHILL Signature (2002)"), both in Class 34; copies of Trademark Application Nos. 4-2012-011300 ("KENT") and 4-2012-011388 ("DUNHILL & Crest, D Button & Vertical Stripes (2011)"), both in Class 34; copies of Trademark Application Nos. 4-2013-001459 ("KENT ishift (Label)") and 4-2012-011389 ("DUNHILL SINCE 1907 & Dunhill signature, Crest, D Button & Horizontal Panel Design (Label)") both in Class 34; copies of Philippine Trademark Registration Nos. 4-2006-002582 ("KENT (LABEL)") and 4-2012-011390 ("DUNHILL"), both in Class 34; copies of Philippine Trademark Registration Nos. 4-2010-011879 ("KENT HD") and 4-20113-000531 ("DUNHILL SWITCH (LABEL)"), both in Class 34; copies of Philippine Trademark Registration Nos. 4-2002-003200 ("KENT") and 4-2001-001280 ("DUNHILL D (label)"), both in Class 34; copies of Philippine Trademark Registration Nos. 4-2004-004994 ("DUNHILL BUTTON (BLUE) (LABEL)") and 4-2008-005697 ("DUNHILL (LABEL)"), both in Class 34; and copies of Certificate and Power of Attorney signed by Stuart Paul Aitchison, the authorized attorney of Opposers.⁵

This Bureau issued a Notice to Answer for both opposition cases and served copies thereof upon Respondent-Applicant on 31 July 2013. Said Respondent-Applicant, however, did not file an Answer.

⁵Marked as Exhibits "A" to "J" for Opposer British American Tobacco (Brands) Inc. and Exhibits "A" to "L" for Opposer Dunhill Tobacco of London Limited, inclusive.

Should the Respondent-Applicant be allowed to register the trademark KENHILL?

The Opposers anchor its opposition on Section 123.1, paragraphs (d), (e), (f) and (g) 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 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;
- (g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services.

Records show that at the time the Respondent-Applicant filed its trademark application on 11 June 2012, the Opposers already own trademark registrations abroad and in the Philippines for "KENT" and "DUNHILL" marks covering goods in Class 34. This Bureau noticed that the goods covered by Respondent-Applicant's trademark application for the mark "KENHILL" are similar to Opposers'.

Hence, the question, does Respondent-Applicant's mark KENHILL resemble Opposers' KENT and DUNHILL marks such that confusion or deception is likely to

occur? The marks are shown below:

KENT
dunhill



KENHILL

Opposers' trademarks

Respondent-Applicant's mark

Confusion is likely in this instance because of the close resemblance between the marks and that the goods covered by the competing marks are similar. Even with the presence of a device composed of two (2) lion animal figures fronting each other and in between them a crown device followed below by a shield device with a white inner border and white stylized letter "K" printed on it and followed below by the word "KENHILL" printed in white and printed against a curved down ribbon, to the Bureau's mind, top of the mind recall would be the word KENHILL. Respondent-Applicant's mark "KENHILL" adopted the dominant features of Opposers' "KENT" and "DUNHILL" trademarks. In fact, Respondent-Applicant combined Opposers' KENT and DUNHILL word marks to come up with the mark "KENHILL". Also, the Respondent-Applicant uses or will use the mark on goods that are exactly the same as or closely-related to the goods the Opposers deal in, i.e., goods (cigarettes and tobacco) in Class 34. As such, there is a likelihood that the public will be confused or mistaken into believing that Respondent-Applicant's mark is just a variation of Opposers' trademarks or that their goods come from the same source or manufacturer.

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.

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, 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.⁷

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.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1 (d) (iii) of the IP Code.

WHEREFORE, premises considered, the instant Oppositions to Trademark Application No. 4-2012-006999 are 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, 01 JUN 2017


Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs

⁷ *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).

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