

**BASIC TRADEMARK S.A.,**  
Opposer,

**-versus-**

**KARELIA TOBACCO COMPANY, INC.,**  
Respondent- Applicant.

X-----X

**IPC No. 14-2012-00244**

Opposition to:

Appln. Serial No. 4-2012-000489

Date Filed: 12 January 2012

**TM: "KAPPA"**

### NOTICE OF DECISION

#### **CARAG JAMORA SOMERA & VILLAREAL LAW OFFICES**

Counsel for the Opposer  
2<sup>nd</sup> Floor, The Plaza Royale  
120 L.P. Leviste Street, Salcedo Village  
Makati City

#### **BUCOY POBLADOR & ASSOCIATES**

Counsel for Respondent-Applicant  
21<sup>st</sup> Floor, Chatham House  
Rufino Streets corner Valero Street  
Salcedo Village, Makati City

#### **GREETINGS:**

Please be informed that Decision No. 2016 - 246 dated July 12, 2016 (copy enclosed) was promulgated in the above entitled case.

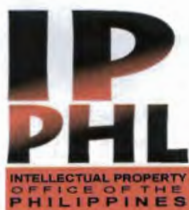
Taguig City, July 12, 2016.

For the Director:

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

**Republic of the Philippines**  
**INTELLECTUAL PROPERTY OFFICE**

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,  
Taguig City 1634 Philippines • [www.ipophil.gov.ph](http://www.ipophil.gov.ph)  
T: +632-2386300 • F: +632-5539480 • [mail@ipophil.gov.ph](mailto:mail@ipophil.gov.ph)



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Trademark: "**KAPPA**"

Decision No. 2016 - 246

### DECISION

BASIC TRADEMARK, S.A. ("Opposer")<sup>1</sup> filed a Verified Opposition to Trademark Application Serial No.4-2012-000489. The application, filed by KARELIA TOBACCO COMPANY INC. ("Respondent-Applicant")<sup>2</sup> covers the mark "KAPPA" for use on "*cigarettes, tobacco and tobacco products, lighters, matches, and smokers' requisites*" under Class 34 of the International Classification of Goods and Services.<sup>3</sup>

According to the Opposer, it was already a leading manufacturer of socks and underwear in Italy under its predecessor, Maglificio Calzificio Torinese (MCT). It created the KAPPA trademark in the mid-1950s. KAPPA had already become a consolidated brand. In Italy, it was the undisputed leader in the socks and underwear sector. In 1969, a recession hit the textile industry which prompted MCT to diversify into production of outerwear, thus creating the brand "ROBE DI KAPPA."

In the late 1970s, MCT moved into sportswear and technical sports gear. The new division inherited the original KAPPA brand. Thereafter, the words KAPPA would also feature the "DEVICE" mark, which dates back to 1969, of a young man and woman, both naked and sitting back to back, with their outlines traced by back lighting. Opposer averred that the KAPPA word mark with and without the DEVICE has been largely used and has acquired a strong distinctiveness worldwide. On 21 November 1995, the Opposer acquired the KAPPA, ROBI DI KAPPA, and the DEVICE trademarks.

The Opposer contends that its trademarks: KAPPA, ROBE DI KAPPA, and KAPPA AND DEVICE was issued Registration Nos. 4-2007-003325; 4-2007-003324; and 4-1997-111332; respectively. Moreover, Opposer has been commercially using KAPPA elsewhere around the world since the late 1970s. In the Philippines, KAPPA was used as early as 23 September 2010, which antedates the date of filing or commencement of use made by Respondent-Applicant of its KAPPA mark. Consequently, the Respondent-Applicant's registration of its KAPPA mark contravenes

<sup>1</sup> A company duly organized and existing under the laws of Luxembourg, with principal address at 42-44 Avenue De La Gare, L-1610 Luxembourg, Luxembourg.

<sup>2</sup> A company duly organized and existing under the laws of Greece, with principal address at Athinon Street, 241 00 Kalamata, Greece.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks, which was concluded in 1957 and administered by the World Intellectual Property Organization.



Section 123.1 (d) of Republic Act No. 8293 (R.A. 8293)<sup>4</sup> because Respondent-Applicant's mark is identical to Opposer's KAPPA marks as to engender a misguided and erroneous belief that said goods are produced by, originate from, or offered by Opposer. In fact, Opposer asserts that its marks have become internationally well-known and have established goodwill for the Opposer with the purchasing public under Section 123.1 (f) of the IP Code, as confirmed by Opposer's sales figures in different countries and extensive promotions of its KAPPA marks in internationally-circulated publications and/or websites.

The Opposer's evidence consists of the following:

1. Certified true copies of Registration Certificates featuring Opposer's KAPPA marks issued by the IPOPHL Bureau of Trademarks (BOT);
2. Duplicate originals of letters filed by Opposer with BOT, requesting Opposer's change of address in appropriate books;
3. List of Opposer's registrations and applications of KAPPA marks for, among others, Classes 18, 25, and 28 goods and products, in different jurisdictions, including the Philippines;
4. Duly signed, notarized, and legalized Affidavit of Mr. Domenico Sindico, Opposer's witness, officer, and proxy holder;
5. Copies of selected registration certificates;
6. Copies of samples of promotional materials/advertisements/sponsorship materials made by Opposer;
7. List providing details/information of licensing of Opposer's KAPPA marks in more than 100 countries;
8. Copy of a Distribution and License Agreement granted to Hang Group International Corporation; and,
9. Certified true copies of Decisions rendered in Opposer's favor.

On 30 October 2012, Respondent-Applicant filed its Answer, alleging that it was founded by the Karelia family in 1888 and has become Greece's largest cigarette manufacturer, exporter, and marketer of tobacco products. Karelia's tobacco products are exported to more than 65 countries around the world, and its production facilities are among the most advanced in Europe, with a production capacity of over 15 billion cigarettes annually. Respondent-Applicant's main brand is KARELIA SLIMS; and the majority of its other brands include the word KARELIA, such as KARELIA BLUE, KARELIA ROYALS, and KARELIA ULTRA.

According to Respondent-Applicant, the word KAPPA is not an invented word and it is well-known as the word that symbolizes the 10<sup>th</sup> letter in the Greek alphabet. It was a natural choice for Karelia to adopt the word KAPPA as a trademark, as the letter "K" is the first letter of Karelia's company name and likewise the focus in the company's other brands.

The Respondent-Applicant's defenses further include the following:

1. That IPOPHL has allowed the registration and co-existence of several trademarks bearing the word KAPPA which established the IPOPHL's determination that no likelihood or confusion will arise from the simultaneous adoption and commercial use of KAPPA;
2. That the use of Greek letters is common in trade;

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<sup>4</sup> Also known as the Intellectual Property Code ("IP Code"), 01 January 1998.

3. That the opposing products are not closely related as to cause confusion among the consumers;
4. That the strict product labelling requirements, and regulation in advertising and marketing of cigarettes and tobacco products preclude any likelihood of confusion in the simultaneous use of the mark KAPPA; and
5. That Respondent-Applicant's intended consumers for KAPPA cigarettes are discriminating, loyal, and familiar with their brand such that there will be no erroneous belief that KAPPA cigarettes and other related products originated from, manufactured or sponsored by the Opposer.

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

1. Certified true copy of Registration Certificate for the mark KAPPA issued to Respondent-Applicant;
2. Certified true copy of Registration Certificate for the mark KAPPA issued to Harman International Industries, Inc.;
3. Certified true copy of Registration Certificate issued to Kappa Alpha Theta Fraternity, Inc.;
4. Certified true copy of Registration Certificate for the mark ACCA KAPPA issued to H. Krull & C.S.p.A.;
5. Certified true copy of Registration Certificate for the mark DELTA issued to Reemtsma Cigarettenfabriken GmbH;
6. Certified true copy of Registration Certificate for the mark EPSILON issued to Ardath Tobacco Company Ltd.;
7. Notarized and authenticated Affidavit of Mr. Efstathios Karelias, General Manager of Respondent-Applicant;
8. Authenticated list of Respondent-Applicant's worldwide Trademark Schedule for its KAPPA mark; representative samples of foreign registration certificates; and Witness Statement of Nicola Amsel, professional investigator; and,
9. Notarized and authenticated Affidavit of Mr. Peter Joseph Houlihan with foreign decisions issued by the competent authorities in Brazil, Chile, Republic of Korea, and Colombia.

The Preliminary Conference was conducted and terminated on 11 March 2013. The parties submitted their position papers on 31 March 2013. After which, the case is submitted for decision.

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

Records reveal that at the time Respondent-Applicant sought registration of its KAPPA mark on 12 January 2012, the Opposer already has a valid and existing registration for the mark "KAPPA" under Registration Certificate No.4-2007-003325 issued on 20 August 2007 with expiration date until 20 August 2017.<sup>5</sup>

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<sup>5</sup> Exhibits "A" to "C" of Opposer.



The competing marks are reproduced hereunder for comparison:

**KAPPA**

**ROBE DI KAPPA**



(KAPPA and DEVICE)

Opposer's Trademark

**KAPPA**

Respondent-Applicant's Trademark

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of a prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling, and pronunciation, of words used; and the setting in which the words appear" may be considered.<sup>6</sup> Thus, confusion is likely between marks only if their over-all presentation, as to sound, appearance, or meaning, would make it possible for the consumers to believe that the goods or products, to which the marks are attached, emanate from the same source or are connected or associated with each other.

From the evidence at hand, the word "KAPPA" is the dominant feature of the Opposer's and the Respondent-Applicant's marks. Both have the same spelling, arrangement of letters, and phonation. Both marks also have the same configuration in simple block-letter mark with all of the letters forming said mark presented in the upper case format. There is no doubt that the marks are similar as both have the word KAPPA. Apart from the addition of the Device logo, the above trademarks are exactly the same. In the instant case, however, the test is not simply to take the words and compare the spelling and pronunciation of said words.<sup>7</sup> The two marks in their entirety as they appear in the respective labels must also be considered in relation to the goods to which they are attached.<sup>8</sup>

The mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description.

<sup>6</sup> Etepha A.G. vs. Director of Patents, G.R. No. L-20635, 31 March 1966.

<sup>7</sup> Bristol Myers Company v. Director of Patents, et al., 17 SCRA 128 (1966).

<sup>8</sup> Mead Johnson & Company v. N. V. J. Van Dorp Ltd., et al., 7 SRCA 768 (1963).

Emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics.<sup>9</sup> Significantly, the Opposer's goods fall under Classes 18, 25, and 28<sup>10</sup>; while Respondent-Applicant's is under Class 34<sup>11</sup>. Opposer's products involve travelling bags and travelling sets, clothing, and sporting goods and equipment. Respondent-Applicant's goods, in contrast, consist of cigarettes, tobacco and tobacco products, and other smokers' requisites. The products in question are relatively luxury items not easily considered affordable.<sup>12</sup> These are not ordinary consumable household items, like catsup, soy sauce, or soap, which are of minimal cost. Accordingly, the casual buyer is predisposed to be more cautious and discriminating in and would prefer to mull over his purchase. Confusion and deception, then, is less likely.<sup>13</sup>

Based on the foregoing, the businesses of the parties are non-competitive and their products are so unrelated that the use of identical trademarks is not likely to give rise to confusion.<sup>14</sup>

It is significant to mention that the mark word KAPPA is the tenth letter of the Greek alphabet.<sup>15</sup> Respondent-Applicant, organized under the laws of Greece, has in fact registered the mark KAPPA in large number of territories all over the world.<sup>16</sup> Finally, this Bureau takes cognizance via judicial notice of the contents of Trademark Registry which consist of marks that contain the word "KAPPA" covering goods/service similar or different from that of Opposer's, such as: KAPPA (Reg. No. 42002007262 dated 31 October 2005); ACCA KAPPA (Reg. No. 42005010175 dated 04 June 2007); KAPPA ALPHA THETA (Reg. No. 42010501510 dated 19 May 2011); and, ALPHA KAPPA RHO VINCIT OMNIA VERITAS (Reg. No. 42015503017 dated 03 December 2015).<sup>17</sup> These marks are owned by entities other than the Opposer. Hence, to sustain this opposition solely on the ground that the competing marks both contain "KAPPA" would have the unintended effect of giving the Opposer exclusive use of the same, despite the difference or unrelated character of the goods or service offered.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application Serial No. 4-2012-000489 is hereby **DISMISSED**. Let the filewrapper of the subject application be returned to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City **12 JUL 2016**

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

<sup>9</sup> Philippine Refining Co., Inc., vs. Ng Sam and the Director of Patents 115 SCRA 476 (1982); citing American Foundries v. Robertson.

<sup>10</sup> Id. at 5.

<sup>11</sup> Filewrapper records.

<sup>12</sup> Taiwan Kolin Corporation, Ltd. v. Kolin Electronics Company, Inc., G.R. No. 209843, March 25, 2015.

<sup>13</sup> Emerald Garment Manufacturing Corporation v. CA, 251 SCRA 600 (1995).

<sup>14</sup> supra note 30.

<sup>15</sup> Dictionary.com, available at <http://www.dictionary.com/browse/kappa> (last accessed 05 July 2016).

<sup>16</sup> Exhibits "7", "7-A" to "7-C" of Respondent-Applicant.

<sup>17</sup> IPOPHL Trademarks Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 05 July 2016).