

SOCIETE DES PRODUITS	}	Inter Partes Case No. 3937/3950
NESTLE S.A., and NESTLE	}	Opposition to:
PHILIPPINES, INC.,	}	
Opposer,	}	Serial No. 78437
	}	
-versus-	}	Date Filed: November 7, 1991
	}	
HARMAN FOODS PHILS. CORP.	}	Trademark: "ZESTEA"
Respondent-Applicant.	}	
x-----x	}	Decision No. 2000-16

## DECISION

This pertains to consolidated Inter Partes Cases Nos. 3937 and 3950 pursuant to Order Nos. 94-500 dated 21 July 1994, Oppositions filed by the herein Opposer SOCEITE DES PRODUITS NESTLE S.A., a foreign Corp. organized under the laws of Swiss Confederation with registered office address at 353 Case Postale, Vesey, Switzerland against the registration of the mark "ZESTEA" bearing Serial No. 78437 used on "LEMON FLAVOR TEA DRINK", filed by Harman Foods Philippines Corporation, of Marilao Bulacan, Philippines and which application was published in the Official Gazette of the Bureau of Patents, Trademarks & Technology Transfer Vol. VI No. 3 P. 89, officially released for circulation on July 29, 1993.

The grounds upon which the Opposer bases its opposition are as follows:

- "1) Opposer SOCEITE DES PRODUITS NESTLE S.A. (hereinafter referred to as "SOCIETE") is the registered owner of the trademark "NESTEA", having been the first to adopt and use the same in actual trade and commerce.
- "2) The trademark "NESTEA" was registered by Opposer "SOCIETE" in the Philippines under Certificate of Registration No. R-1087 for powdered soluble tea extract blended with carbohydrates. Such registration which remains valid and enforceable is a renewal of the original Certificate of Registration No. 2653 issued on February 6, 1971 and February 6, 1991, respectively. Registrations in Countries all over the world have also been obtained. The "NESTEA" trademark is used internationally and locally for lemon flavored tea drink ice tea mix.
- "3) The trademark "NESTEA" which Opposer originated and adopted is known in the Philippines and elsewhere in the world. SOCIETE'S products carried under said mark, had, through the years, earned international acclaim as well as the distinct reputation of high quality products carried under said mark, had, the distinct reputation of high quality products.

Opposer relied on the following facts to support its Opposition:

- "1) The trademark "ZESTEA" of the Respondent-Applicant is a flagrant and veritable imitation of herein Opposer's trademark as likely to cause and actually causes

confusion, mistake and deception to the buying public as to source and origin of Respondent-Applicant.

- “2) Opposer has invested tremendous amount of resources in the promotion of the “NESTEA” trademark, i.e. advertisements in well-known newspapers, magazines and other publications around the world. It is the resultant goodwill and popularity of Opposer’s trademark that Respondent-Applicant wishes to exploit and capitalize. Accordingly, Respondent-Applicant’s use of the mark “ZESTEA” is an infringement or invasion of Opposer’s property rights to its registered trademark “NESTEA” which is protected by law.
- “3) The application subject of this opposition was filed on November 7, 1991 whereas, herein Opposer SOCIETE has been granted registration in the Philippines as early as February 6, 1951.
- “4) The registration of Respondent-Applicant’s mark will violate Opposer SOCIETE’S rights and interests in its loss of distinctiveness of Opposer’s “NESTEA”.

On February 4, 1994, a Pre-trial conference was held but no settlement was reached, hence the parties went to trial and submitted their respective evidences both testimonial and documentary.

The ultimate issue to be resolved in the instant case is “Whether or not Respondent’s mark “ZESTEA” is confusingly similar to Opposer’s “NESTEA”.

The applicable provision is SECTION 4 (d) of R.A. No. 166 as amended which provides:

“SECTION 4 – Registration of Trademark, tradenames and service marks on the Principal Register, there is established a register of trademarks, tradenames and service marks which shall be known as the principal register. the owner of trademark, tradename or service mark used to distinguish his goods, business or service of others shall have the right to register the same on the principal register unless it:

x x x

“(d) Consists of or comprises a mark or trademark, which resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant to cause confusion or mistake or to deceive purchasers.”

The records of the case reveal that in the trademark application subject of these proceedings, Respondent-Applicant claimed that the DATE OF FIRST USE of the mark ZESTEA on the goods and in the Philippines was on “APRIL 01, 1991.”

On the other hand, the herein Opposer registered its mark “NESTEA” in the Philippines as early as 6 February 1971 under Registration No. 2653 which was later renewed on 6

February 1991 under Registration No. R-1087. Therefore in point of time, Opposer is clearly and without iota of doubt, the first, user/owner of the mark "NESTEA" for non-alcoholic beverages.

Likewise, based on the evidence presented, it is convincingly clear that the two competing marks "NESTEA" and "ZESTEA" are confusingly similar to each other not only in sounds or in pronunciation of the two marks but also as the products to which they are attached as well as in the packaging and presentation of the labels. Both marks bear the suffix "TEA" and have almost the same spelling except for the first letter N for the Opposer's mark and Z for the Respondent-Applicant's mark. Both are used on lemon iced tea products and are packed in foil packaging with drawings of water splashing side out on top of a glass and a representation of divided or chopped lemon.

When one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this is not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill. (CHUAN CHOW SOY & CANNING CO. vs. DIRECTOR OF PATENTS and VILLAPANTA 108, Phil. 833,836)

In another case, American Wires and cables Co. vs. Director of Patents, February 18, 1970, 31 SCRA 544, the Supreme Court held that the determinative factor in a contest involving the registration of the trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. In short, to justify a denial of an application for registration, the law does not require that the competing trademarks be so identical as to produce actual error or mistake; it would be sufficient that the similarity be such that there is a possibility or likelihood that the purchasers mistake the older for the newer brand. Thus, the Court found the trademarks, "DYNAFLEX" for electric wires to be confusingly similar to "DURAFLEX" also for electric wires.

Moreover, in Operators, Inc. vs. Director of Patents, L-17901, October 29, 1965, it was held that considering the similarity in APPEARANCE and SOUND between the trademark "AMBISCO" for candy products was found to be confusingly similar with "NABISCO" for bakery products.

Another point to be considered in this particular case is why an inspiring economical enterprise, person or entity would select a trademark which had already established goodwill despite the million of terms, combinations of letters and designs available to it. In this connection, the Supreme Court held in the case of AMERICAN WIRE & CABLE CO. vs. DIRECTOR OF PATENTS 31 SCRA 544 that-

"Why of the million of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark."

WHEREFORE, in view of the foregoing considerations, the Notice of Oppositions filed by the herein Opposers against the Application for registration of Respondent-Applicant's mark "ZESTEA" is, as it is hereby, SUSTAINED. Consequently, application bearing Serial No. 78437 for the mark "ZESTEA" filed on November 7, 1991 by HARMAN FOODS PHILIPPINES CORP. is, as it is hereby, REJECTED.

Let the filewrapper in these consolidated cases be forwarded to the Administrative, Financial and Human Resource Development Services Bureau (AFHRDSB) for appropriate

action in accordance with this DECISION with a copy to be furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, December 7, 2000.

ESTRELLITA BELTRAN-ABELARDO  
Director