

FERRERO S.P.A.	}	IPC No. 14-2003-00031
Petitioner	}	Petition for Cancellation:
	}	
-versus-	}	Registration No.: 4-1993-92178
	}	Date Issued: 4 September 2000
SOLDAN HOLDING BONBON- SPEZIALITATEN GmbH	}	
Respondent-Registrant.	}	Trademark: "KINDER EM- EUKAL & DEVICE"
x-----x		
FERRERO S.P.A.	}	IPC No. 14-2003-00032
Petitioner	}	Petition for Cancellation:
	}	
-versus-	}	Registration No.: 4-1995-107056
	}	Date Issued: 19 July 2000
SOLDAN HOLDING BONBON- SPEZIALITATEN GmbH	}	
Respondent-Registrant.	}	Trademark: "KINDER EUKAL (DEVICE)"
x-----x		Decision No. 2006-14

DECISION

This pertains to a Petition for Cancellation commenced by Petitioner FERRERO, S.P.A., a corporation with business address at Piazzale Pietro Ferrero 1, 12051, Alba, Cuneo, Italy, against the above-mentioned trademark registrations for "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL (DEVICE)" registered in the name of Respondent-Registrant SOLDAN HOLDING BONBONSPEZIALITATEN GmbH, a corporation with business address at Herderst, 5-9, 90427 Nuernberg, Federal Republic of Germany.

The Verified Petition for Cancellation was filed on April 14, 2003 wherein Petitioner relied on the following grounds for cancellation:

"1. The registration of the trademarks "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL DEVICE" in Class 30 contravenes Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code").

"2. The marks "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL DEVICE" are identical to and closely resemble Petitioner's previously registered mark, "KINDER," bearing Registration No. 51007 issued by the forerunner of this Office, the Bureau of Patents, Trademarks and Technology Transfer ("BPTTT") on 24 July 1991, as to be likely to deceive or cause confusion when applied to or used in connection with the goods of the Respondent, the word "KINDER" being the dominant portion of Respondent's trademark registration and an integral part thereof.

"3. Respondent's use of the word "KINDER" on goods that are similar, identical or closely related to goods that are under the sponsorship of Petitioner will mislead the purchasing public into believing that such goods are produced by, originate from, or are under the sponsorship of herein Petitioner.

"4. Petitioner has not abandoned its "KINDER" mark and continues to use it internationally.

"5. Petitioner's mark is a well-known mark which is entitled to broad protection under Article 6bis of the International Convention for the Protection of

Industrial Property ("Paris Convention") and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") to which the Philippines is a signatory.

"6. The registration of Respondent's marks "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL DEVICE" contravenes not only the IP Code, but also the Paris Convention and the TRIPS.

"7. The cancellation sought herein, is authorized under the provisions of the IP Code, specifically Section 151.1(b) thereof and rule 8, Section 2(b) of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers of Goods ("Trademark Rules")."

In support of the petitioner for cancellation, Petitioner proved and relied upon the following facts, among other:

"1. Petitioner first obtained registration of the mark "KINDER" in Italy under Registration No. 168843 on 29 March 1965. This Italian Registration had been duly renewed in 1985 under Renewal Registration No. 441001 and on January 1994 under Renewal Registration No. 684985, and is currently valid and in force, up to 28 January 2005.

"2. The mark "KINDER" and its related trademarks and indicia have also been registered and applied for registration by Petitioner in almost all of the countries in the world. Attached as Annexes "A" to "C" hereof, to form an integral part hereof, is a list of the said trademark applications filed and registered in different countries and copies of some of these registrations obtained all in the name of Petitioner, thusly proving international notoriety of the "KINDER" and its related marks, as one belonging to herein Petitioner.

"3. In the Philippines, Petitioner is also the owner of the mark "KINDER" under Certificate of Registration No. 51007 issued by the then BPTTT on 24 July 1991, which registration remains in force.

"4. Petitioner has been commercially using the mark "KINDER" and its related marks internationally since 1966 prior to the use by Respondent of "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL DEVICE" marks, and in the Philippines since 1996 for which Petitioner has gained worldwide fame and goodwill as the owner of "KINDER" and its related marks.

"5. Petitioner continues to use the mark "KINDER" and its related marks worldwide in class 30.

"6. By spelling, pronunciation and appearance, the word "KINDER" which forms a dominant and integral part of Respondent's mark, is identical and confusingly similar to Petitioner's mark(s), as Petitioner's mark(s) cover(s) the same class(es) of goods covered by Respondent's mark.

"7. Petitioner was able to successfully oppose the application for registration filed by Respondent in the Office for Harmonization in the International Market ("OHM") in Decision No. 108.21/2001 of 27 April 2001, whereby Petitioner prevailed in its opposition against the CTM application for registration of the "KINDER EM-EUKAL & DEVICE" mark.

On 29 October 2004 as per Order No. 2004-657, Respondent-Registrant was declared in default for its failure to file an Answer within the reglementary period despite due notice thereof

hence, the case proceeded for trial on December 2, 2004 for initial ex-parte presentation of Petitioner's evidence.

On 19 January 2005, Petitioner commenced the presentation of its evidence marking in evidence Exhibits "A" to "F".

In the event of Office Order No. 79, Series of 2005 (Amendments to the Regulations on Inter Partes Proceedings), which took effect on September 1, 2005, this case was mandatorily covered by the summary rules thus, Petitioner was required to complete its evidence within thirty (30) days from receipt of the Notice in accordance with Section 7 and Subsection 7.1 of Office Order No. 79.

On February 2, 2006, this Office issued Order No. 2006-209 waiving the right of Petitioner to submit additional evidence in compliance with Office Order No. 79 for failure to submit the same despite the period of time given and directing the Petitioner to submit its position paper within ten (10) days from receipt of the said Order.

On February 17, 2006, Petitioner submitted its position paper hence, this case is now deemed submitted for decision submitted for decision.

THE SOLE ISSUE TO BE RESOLVED IN THIS CASE IS WHETHER OR NOT THERE IS BASIS FOR THE CANCELLATION BY THIS OFFICE OF RESPONDENT-REGISTRANT'S REGISTRATIONS OF THE TRADEAMRKS "KINDER EM-EUKAL & DEVICE" AND "KINDER EUKAL & DEVICE"

Considering that the trademarks subject of the instant cancellation proceeding was filed on December 29, 1993 and December 21, 1995 or during the effectivity of the old Trademark Law (R.A. 166, as amended), this Office shall resolve the case under said law so as not to adversely affect rights already acquired prior to the effectivity of the new intellectual Property Code (R.A. 8293).

The applicable provision of the old Trademark Law, Section 17 provides:

"Sec. 17. *Grounds for cancellation.* – Any person, who believes that he is or will be damaged by the registration of a mark or trade-name, may, upon payment of the prescribed fee, apply to cancel said registration upon any of the following grounds:

- a) That the registered mark or trade-name becomes the common descriptive name of an article or substance on which the patent has expired;
- b) That it has been abandoned;
- c) That the registration was obtained fraudulently or contrary to the provisions of Section Four, Chapter II hereof;
- d) That the registered mark or trade-name has been assigned, and is being used, by, or with the permission of, the assignee so as to misrepresent the source of the goods, business or services in connection with the mark or trade-name is used; or
- e) That cancellation is authorized by other provisions of this Act."

Relevant to this, Section 4, Chapter II of the same law likewise provides that, to with:

“Sec. 4. *Registration of trademarks, trade names and service marks.* –
xxx The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same, unless it:

x x x

d) Consists of or comprises a mark or trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name 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 services of the applicant, to cause confusion or mistake or to deceive purchases.

x x x”

In resolving the issue at hand, it is worthwhile to state that the determinative factor in a contest involving registration of trademark is not whether the challenged mark would *actually* cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public. The law does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

In the instant case, it is apparent that the trademarks being petitioner for cancellation involve the words “KINDER EM-EUKAL” and “KINDER EUKAL” while that of the Petitioner involves only the word “KINDER”. The question now lies as to whether Respondent-Registrant is validly entitled to the registration of the said trademarks at the time of its application despite the existence of Petitioner’s trademark “KINDER”.

Upon visual examination and comparison of the competing trademarks, there is no argument that both marks contain the word “KINDER” and that the word “KINDER” is the dominant in Respondent-Registrant’s registrations.

It will be observed that in both registrations of Respondent-Registrant the word “KINDER” was written above the words “EM-EUKAL” and “EUKAL” in italics from so as to distinguish and separate it from the other registered marks. Also, since both marks of Petitioner and Respondent-Registrant involve the same word “KINDER”, we will apply the dominancy test to ascertain whether one trademark is confusingly similar to or is a colorable imitation of another.

As its title implies, the test of dominancy focuses on the similarity of the prevalent, essential or dominant features of the competing trademarks which might cause confusion or deception. Thus, the Supreme Court in the case of Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, et. al., G.R. No. L-23035, July 31m 1975, has ruled that:

“In cases involving infringement of trademarks, it has been held that there is infringement e\when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; that whether or not a trademark causes confusion and likely to deceive the public is a question of fact which is to be resolved by applying the “test of dominancy,” meaning, if the competing trademark contains the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place; and that duplication or imitation is not necessary, a similarity of the dominant features of the trademark would be sufficient.”

Applying the foregoing tenets to the present controversy will show that the dominant feature of Respondent-Registrant's mark "KINDER" is practically identical with Petitioner's mark "KINDER".

There is likewise no denying that both marks of Petitioner and Respondent-Registrant cover similar or related goods falling under Class 30 thus, misleading the purchasing public into believing that the goods of Respondent-Registrant are produced by, originate from, or are under the sponsorship of herein Petitioner.

As to the question of who between the Petitioner and Respondent-Registrant is the prior registrant of the mark "KINDER" in the Philippines, evidence proved that Petitioner had registered the mark "KINDER" in the Philippines on 24 July 1991 under Registration No. 51007 (Exhibit "B") earlier than that of the Respondent-Registrant which were registered only on September 4, 2000 and July 19, 2000, respectively, as evidenced by Respondent-Registrant's Certificate of Registrations. Similarly, Respondent-Registrant failed to refute Petitioner's alleged date of first use of the mark "KINDER" in the Philippines which is in the year 1996 as the former was declared in default.

In this regard, the Supreme Court held in the case of Chuan Chow Soy and Canning Co. v. Director of Patents and Villapanta, 108 Phil. 833 that:

"When one applied 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 mark and an established goodwill."

Admitted, no person may have a monopoly of any color scheme or form of words in a label. But when a competitor adopts a distinctive or dominant mark or feature of another's trademark and with it, makes use of the same color ensemble, employs similar words written in a style, type and size of lettering almost identical with those found in other trademark, the intent to pass to the public his product as that of the other is quite obvious.

With respect to the issue of the Respondent-Registrant being declared in default for failure to file an Answer within the reglementary period, the Supreme Court in the case of Del Bros Hotel Corporation vs. Intermediate Appellate Court, 159 SCRA 533, 543, has this to say:

"Fundamentally, default orders are taken on the legal presumption that in failing to file an Answer, the defendant does not oppose the allegations and relief demanded in the complaint."

Indeed, this Office cannot but notice the lack of concern the Respondent-Registrant had shown in protecting its mark which is contrary to the norm that: A person takes ordinary care of his concern. (Sec. 3 (d), Rules 131 of the Rules of Court)

WHEREFORE, premises considered, the Petitions for Cancellation are, as they are hereby, SUSTAINED. Consequently, Certificate of Registration Nos. 4-1993-92178 and 4-1995-107056 issued on 04 September 2000 and 19 July 2000, respectively, in favor of Respondent-Registrant SOLDAN HOLDING BONBONSPECIALITATEN for the trademarks "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL & DEVICE" used for goods falling under Class 30 are hereby ordered CANCELLED.

Let the filewrapper of the trademarks "KINDER EM-EUKAL & DEVICE" and "KINDER EUKAL & DEVICE" bearing Registration Nos. 4-1993-92178 and 4-1995-107056 subject matter under consideration be forwarded to the Administrative, Financial and Human Resource Development Services Bureau (AFHRDSB) for appropriate action in accordance with this

DECISION with a copy furnished the Bureau of Trademarks (BOT) for information and to update its record.

SO ORDERED.

Makati City, 23 March 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs