

SOCIETE DES PRODUITS
NESTLE S.A.,

Opposer,
- versus -

MARS, INC.,

Respondent-Applicant.

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IPC 14-2006-00059

Opposition to:
Application Serial No. 4-2004-008630
(Filing Date: 16 September 2004)

TM: "STYLIZED GREEN (in Color)"

Decision No. 2007-65

DECISION

For decision is the Notice of Opposition filed by Societe des Produits Nestle. S.A., opposer, a corporation organized and existing under the laws of Switzerland against Application No. 4-2004-008630 of the trademark STYLIZED GREEN (IN COLOR) FOR GOODS UNDER class 30 namely "rice, pasta, noodles, meals made predominantly from rice, pasta, noodles cereals and cereal preparations, prepared entrees and meals including spring rolls, curry puffs, dim sum, samosas, wontons, wonton skins, rice cakes, rice crackers, tea, coffee, cocoa coffee essence, coffee extracts, mixtures of coffee and chicory mixtures, chicory and chicory mixtures, all for use as substitutes for coffee; non-medicated confectionary, chewing gum, bubble gum, lollipops; pastries, cakes, biscuits, crackers, crisp bread, icing for cakes, icing powder, icing sugar, ices, ice cream products, frozen confections, frozen yoghurt, mousses, sorbets; bread; pastry; capers, sweet spreads, honey, treacle, maple syrup, savory spreads, mustards, relishes, yeast extracts spreads, prepared meals and constituents for meals; chocolate, chocolates, chocolate products, sauces ketchup, tomato sauce, Worcestershire sauce, mint sauce, barbecue sauce; gravy; pizza, pizza bases; cooking sauces; sauces and toppings for pizzas; sauces for pasta and rice; salad dressings, vinegar, vinaigrette, mayonnaise; dips; spices and seasonings, marinades, condiments, couscous; salsa" in the name of Mars, Inc., respondent-applicant.

The grounds for the opposition are as follows:

1. The Opposer is the first to adopt, use and register the WAVE MILO (COLORED) A DEVICE ON A GREEN BACKGROUND CONSISTING OF A GOLD-COLORED, WAVE SHAPED AND DROP-SHADOWED FRAME ENCLOSING A WHITE SURFACE" (WAVE MILO (COLORED) for brevity) trademarks for products falling under international class 30 and 32, in the Philippines and therefore, enjoys under Section 147 of Republic Act No. 8293 the confusingly similar marks such as Respondents-Applicant's trademark "STYLIZED REEN (IN COLOR)". The WAVE MILO (COLORED)" trademarks which Opposer herein originated and adopted are well-known internationally and in the Philippines. Its products carried out under said trademarks had, through the years, earned international acclaim, as well as the distinct reputation of high quality products.

Opposer has already been issued world-wide registrations as well as in the

Philippines covering the goods under Class 30 and 32 for the WAVE MILO (COLORED)" trademarks.

2. There is a likelihood of confusion between Opposer's WAVE MILO (COLORED)" trademarks and Respondent-Applicants "STYLIZED GREEN (IN COLOR)" MARK because the latter's mark is identical in appearance to the former's "WAVE MILO (Colored)" trademarks, (In Color)" mark for its products in Class 30 will dilute the distinctiveness and erode the goodwill of Opposer's "WAVE MILO (Colored)" trademarks, which are arbitrary trademarks when applied to Opposer's products.
3. The Opposer's "WAVE MILO (Colored)" trademarks are well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large, as being trademarks expressly and directly referring to and owned by the Opposer, hence, the Respondent-Applicant's "STYLIZED GREEN (In Color)" mark cannot be registered in the Philippines pursuant to the express provision of Section 147.2 of Republic Act No. 8293. No doubt, the use of the Respondent-Applicant's "STYLIZED GREEN (In Color)" mark for its products will indicate a connection between these products and those of the Opposer's. Likewise, the interests of the Opposer are likely to be damaged by Respondent-Applicant's use of the "STYLIZED GREEN (In Color)" mark for its products in class 30.
4. The Respondent-Applicant, by using "STYLIZED GREEN (In Color)" as its mark, will give its products the general appearance of Opposer's related products, which would likely influence purchasers to believe that its "STYLIZED GREEN (In Color)" products are those supervised and authorized by the Opposer thereby deceiving the public and defrauding the Opposer of its legitimate trade, hence it is guilty of unfair competition as provided in Section 168.3 of Republic Act No. 8293.
5. Respondent-Applicant, by adopting the "STYLIZED GREEN (In Color)" mark for its products in class 30, is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection with the Opposer, or as to origin of its products by the Opposer, for which it is liable for false description or representation under Section 169 Of Republic Act No. 8293.

Based on its submission, opposer marked following evidence to support its Opposition:

Annex "A" Certificate of Amendment dated 27 September 2005 Of
Certificate of Registration 4-1998-05283

Unmarked Affidavit of Michelle Y. Carlo (with Annex
"A" and "B")

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| Annex "B" | Certificate of Registration 4-1998-005282 for the mark WAVE MILO (COL) |
| Annex "E" | Certificate of Registration issued in Australia |
| Annex "F" | Certificate of Registration (Australia) |
| Annex "G" | Certificate of Registration (Hongkong) |
| Annex "H" | Certificate of Registration (Hongkong) |
| Annex "I" | Certificate of Registration (Jamaica) |
| Annex "J" | Certificate of Registration (Malaysia) |
| Annex "K" | Certificate of Registration (New Zealand) |
| Annex "L" | Certificate of Registration (Singapore) |
| Annex "M" | Certificate of Registration (Singapore) |
| Annex "N" | Certificate of Registration (Republic of South Africa) |
| Annex "O" | Certificate of Registration (Republic of South Africa) |
| Annex "P" | Advertising/promotional label |
| Annex "Q" | Advertising/promotional label |
| Annex "R" | Poster |

In its Answer, respondent-applicant relied on the following in defense to the Opposition:

1. It denies the allegations of paragraph 1, the truth being that there is absolutely no similarity, much less confusing similarity, with both marks Respondent likewise has been using the said "STYLIZED GREEN" mark and color on its related marks which are well-known internationally and in the Philippines, earning world-wide registrations.
2. It denies the allegations of paragraph 2, the truth being that Opposer's trademarks are not identical, not similar and are not confusingly similar to Respondent's "STYLIZED GREEN" (In Color) mark. Opposer's trademarks are mere background ornamentations, especially Opposer's Certificate of Registration No. 4-1998-005282 for the mark "WAVE (MILO) (COL)". Thus, these registrations do not have the needed distinctiveness to qualify as trademarks;

3. It denies the allegations of paragraph 3 as Opposer's mark are not best, mere background ornamentations or decorations. The design and the color are not inherently distinctive as the design is a commonplace "wave" inside a common and ordinary rectangle. On the other hand, Respondent's "STYLIZED GREEN (In Color)" mark is positively distinctive as the design is clearly defined. No grounds exist to connect Opposer's trademarks to Respondent's mark. Thus, no damage will ensue to Opposer by Respondent's use of its own mark;
4. It denies the allegations of paragraph 4 as there is absolutely no similarity between Opposer's marks and herein Respondents mark. A perusal of both marks placed side by side will readily show the glaring dissimilarities of both marks. The designs are poles apart. The green wave design of Opposer is totally different from the signature design of Respondent. There is no deception involved as the general appearance of both devices and the goods can easily be differentiated. There is no "passing off" involved. A denial of Respondent's mark will be prejudicial to the intellectual property right of Respondent;
5. It denies the allegations of paragraph 5 as Respondent's mark will not cause confusion, mistake or any deceptions so far as Opposer's marks are concerned. Respondent's mark does not falsely represent and does not mislead as to the affiliation with any entity, much less herein Opposer. Respondent's mark clearly indicate the owner or origin which is herein Respondent Marks Inc.,

Respondent- applicant submitted the following documentary evidence in support of its Position:

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| Annex "1" | Affidavit of Rhonda Steele (with Annexes "A"-"G" consisting of Posters, advertising campaign materials, world catalogues, promotion of character of Miss Green "Certificates of Registration) |
| Annex "2" | Affidavit of John Philip San Miguel (with Annexes "A" to "B" consisting of advertising materials; Certificate of Registration of M&M's Green Character) |

The case was set initially for pre-trial conference on 9 October 2006 and was terminated 22 January 2007 there being no amicable settlement reached between the parties.

The crux of the controversy hinges on whether respondent-applicant's "STYLIZED GREEN (IN COLOR)" trademark is identical or confusingly similar to opposer's registered mark "WAVE MILO" (COLORED)".

Section 123.1 Republic Act 8293 provides:

"Section 123.1 Registrability. A mark cannot be registered if it:

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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 resemble such a mark as to be likely to deceive or cause confusion”

Section 147, Republic Act further provides:

“Sec. 147. Rights Conferred. 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered when such use would result in a likelihood of confusion. xxx”

Evidence show that the opposer is the registered owner of the WAVE MILO (Colored) (ANNEX “A”). This is piece of evidence consists of a certificate of amendment which shows that the previously registered mark “WAVE MILO COL (A DEVICE ON A GREEN BACKGROUND CONSISTING OF A GOLD-COLORED AVE-SHAPED AND DROP-SHADOWED FRAME ENCLOSING A WHITE SURFACE)” been amended to the “WAVE MILO (COL)”. Opposer submitted in evidence Certificate of Registration No. 4-1998-005282 (Annex “B”) issued in July 1, 2004 of the mark “WAVE (MILO) (COL)” described as “ a device on a green background consisting of a wave-shaped and drop shadowed frame enclosing a white surface.” Opposer theorizes that respondent-applicant’s mark is confusingly to its registered mark, thus prescribed under the above-referenced provisions of the Intellectual Property Code. The contending marks are reproduced below for comparison:

Respondent-applicant’s Mark

Opposer’s Mark (ANNEX “B”)

Comment [PGG1]: Marks

One look at both marks will show that both marks create diverse and distinct visual impressions. Respondent’s mark is a word mark and colored green. The other is device in a dominant green colored background. Applying the tests in determining colorable imitation as dictated in a long line of jurisprudence, will not yield a different conclusion that one mark is so different and unlike the other. Neither can opposer, appropriate the color green to the exclusion of others, it is basic in trademark jurisprudence the color alone, unless displayed in arbitrary and distinct design cannot function as a trademark. Therefore, the color green alone cannot be for opposer’s

exclusive use only. In adopting the wave design in green background, opposer has an exclusive right only to such distinct design.

In *Philippine Nut Industry, Inc. v. Standard Brands Incorporated*, G.R. No. L-23035. July 31, 1975. The Supreme Court held: "Admittedly, no producer or manufacturer may have a monopoly of any color scheme or form of words in a label."

The High Court likewise upheld the ruling of the Director of Patents in *Victoria Milling Company, Inc. V. Ong Su*, G. R. No. L-28499. September 30, 1977 and noted: As regards the colors black and red used, it is fundamental in trademark jurisprudence that color alone, unless displayed in a distinct or arbitrary design, does not function as a trademark, in as much as here, or elsewhere, the colors commonly and freely used in the printing business."

Respondent's mark is not identical to the registered mark and neither is it a colorable imitation of the other. The Supreme Court in *Etepha v. Director of Patents and Westmont Pharmaceuticals, Inc.*, No. L-20635, March 31, 1966 defines colorable imitation, it held:

"The validity of a cause for infringement is predicated upon colorable imitation. The phrase "colorable imitation" denotes such "close or ingenious imitation as to be calculated to deceive ordinary persons, or such a resemblance to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase one supposing it to be the other."

xxx

Confusion is likely between trademarks only if their over-all presentations in any of the particulars of sound, appearance, or meaning are such as would lead the purchasing public into believing that the products to which the marks are applied emanate from the source.

The Supreme Court in *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andersons Group, Inc.*, G. R. No. 154342 July 14, 2004, summarizes the two tests, it held:

"Jurisprudence has developed two tests in determining similarity and likelihood of confusion in trademark resemblance:

- (a) the Dominancy Test applied in *Asia Brewery, Inc. vs. Court of Appeals* and other cases, and
- (b) the Holistic or Totality Test used in *Del Monte Corporation vs. Court of Appeals* and its preceding cases.

The Dominancy Test focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception, and thus infringement. If the competing trademark contains the main, essential or dominant features of another, and confusion or deception is likely to result, infringement takes place. Duplication or imitation is not necessary: or is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the marks involved is likely to cause confusion or make mistake in the mind of the public or deceive purchasers.

On the other hand, the Holistic Test requires that the entirety of the marks in question be considered in resolving confusing similarity. Comparison of words is not the only determining factor. The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

Applying these precepts to the instant case, the dominant feature of respondent's mark is the word green, on the other hand the dominant feature of the opposer's mark is the device itself consisting of a depiction of a wave set on a green background. Applying the holistic test, taking into consideration the mark of opposer as it appears in its submitted labels and advertising material (Exhibit "P" "Q", "R") compared with respondent-applicants stylized green which appears usually in tandem with an M&M character, called "Miss Green" from the advertising and write-ups accompanying Exhibit "1". To reiterate, considering further that opposer has no word components in its registered mark and the word that appears in the middle of the wave design in its label is the word "MILO", we conclude that the pictorial representation of the marks are entirely different, hence no likelihood of confusion of goods or sponsorship, neither can deception occur.

WHEREFORE, premises considered, the OPPOSITION filed by Societe des Produits Nestle SA, opposer is hereby DENIED. Accordingly, Application Serial No.4 filed by Respondent-Applicant, Mars, Inc. on 16 September 2004 for the mark "STYLIZED GREEN (In color)" used on goods under Class 30, namely "rice, pasta, noodles, meals made predominantly from rice, pasta, noodles; cereals and cereal preparations; prepared entrees and meals including spring rolls, curry puffs, dim sums, samosas, wontons, wonton skins, rice cakes, rice crackers; tea, coffee, cocoa coffee essence coffee extracts, mixtures of coffee and chicory, chicory and chicory mixtures all for use as substitute for coffee; non-medicated confectionary, chewing gum, bubble gum, lollipops; pastries cakes biscuits, crackers, crisp bread, icing for cakes, icing powder, icing sugar, ices, ice cream, ice cream products, frozen confections. Frozen yoghurt, mousses, sorbets; bread; pastry, capers; sweet spreads, honey, treacle, maple syrup, savory spreads, mustards, relishes, yeast extracts spreads, prepared meals and constituents for meals; chocolates, chocolate products, sauces, ketchup, tomato sauce. Worcestershire sauce, mint sauce, barbecue

sauce; gravy; pizza, pizza bases; cooking sauces; sauces and toppings for pizzas; sauces for pasta and rice; salad dressings, vinegar, vinaigrette, mayonnaise; dips; spices and seasonings, marinades, condiments, couscous; salsa, is at it is, hereby GIVEN DUE COURSE.

Let the filewrapper of "STYLIZED GREEN (In color)", subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED

Makati City, 31 May 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs