

SOCIETE DES PRODUITS	}	IPC NO. 14-2000-00013
NESTLE, S.A.	}	Opposition to:
Opposer,	}	Application Serial No. 94818
	}	Date Filed: 8-24-94
-versus-	}	
	}	
FOODWORLD MANUFACTURING	}	Trademark: "Yes Cafe"
CORPORATION.	}	
Respondent-Applicant.	}	Decision No. 2001 - 37
x-----x		

D E C I S I O N

On July 27, 2000, a verified Notice of Opposition was filed against the registration of the mark "YES CAFÉ" bearing Serial No. 94818 filed by Foodworld Manufacturing Corporation on August 24, 1994 covering the goods "COFFEE" under class 30 of the international classification of goods, which application was published in the Official Gazette of the Intellectual Property Office Vol. li, No. 5, page 38 and officially released for circulation on March 30, 2000.

The herein opposer is SOCIETE DES PRODUITS NESTLE, S.A., a foreign corporation organized under the laws of Switzerland with address at Vevey, Canton de Vaud, Switzerland.

On the other hand, the herein Respondent-Applicant is "FOODWORLD MANUFACTURING CORPORATION", a domestic corporation doing business at 292-294 8<sup>th</sup> Avenue, Grace Park, Caloocan City, Philippines.

The trademark application subject of the instant proceedings has been filed on August 24, 1994, when governing law on Intellectual Property Rights was the Trademark Law or R.A. No. 166 as amended.

The grounds of the opposition are as follows:

"1. The registration of the mark "YES CAFÉ" in the name of the respondent-applicant is proscribed by Sec. 4(d) of the then Republic Act No. 166, as amended, and more importantly, Sec. 123.1 (d), (e), (f) and (g) of the Republic Act No. 8293.

"2. Opposer is the prior registered owner of the mark "NESCAFE" and variation thereof, having been first to adopt and use the same in actual trade and commerce. Application for registration of the "NESCAFE" mark and variations thereof has been filed and prior registrations of opposer's said marks in countries all over the world have been obtained, including the Philippines.

"3. The trademarks which opposer herein originated and adopted are familiar and well-known internationally and in the Philippines as "NESCAFE" and are commercially used here and around the globe for its coffee products."

Opposer relied on the following facts to support its opposition.

"1. The opposer was issued by the then Bureau of Patents, Trademarks and Technology Transfer ("BPTTT", now Intellectual Property Office) Certificates of Registration Nos. 21490 (as renewed), 30226, 37034 and 33402 for the "NESCAFE" wordmark and variations thereof covering coffee products, essences

or extracts. Copy each of said registration certificates are hereto attached as Annexes "A", "B", "C", and "D" respectively.

"2. The mark "YES CAFE" of respondent-applicant is a flagrant and veritable limitation of herein opposer's marks as likely to cause confusion, mistake and deception to the buying public as to source and origin of respondent-applicant's coffee in the Philippines or elsewhere.

"3. Opposer has invested tremendous amount of resources in the promotion of the "NESCAFE" mark and its variations, i.e., advertisements in well-known newspapers, magazines and other publications around the world. It is the resultant goodwill and popularity of opposer's marks that respondent-applicant wishes to exploit and capitalize. Accordingly, the use and approval for registration of respondent-applicant's mark will constitute an infringement or invasion of opposer's property rights to its registered "NESCAFE" marks which are protected by law. Such will most assuredly cause the dilution and loss of distinctiveness of opposer's marks as well as cause irreparable damage and injury to opposer."

THE ISSUE TO BE RESOLVED IN THIS PARTICULAR CASE IS: WHETHER OR NOT THERE EXISTS CONFUSING SIMILARITY BETWEEN RESPONDENT-APPLICANT'S TRADEMARK "YES CAFE" AND THE OPPOSER'S TRADEMARK "NESCAFE" BOTH USED ON COFFEE.

The applicable provision is Section 4(d) of R.A. No. 166 as amended in conjunction with SECTION 123.1 (d) and (g) of R.A. No. 8293.

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

"xxx

"(d) consists of or comprise a mark of tradename which so 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 services of the applicant, to cause confusion or mistake or to deceive purchasers."

On the other hand, Sec. 123.1 (d) of R.A. No. 8293 provides:

"Sec. 123.1 A mark cannot be registered if it:

"xxx

"(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing 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.

"xxx

“(g) Is likely to mislead the public, particularly as to the nature, quality, characteristic or geographical origin of the goods or services.”

On August 1, 2000, a Notice to Answer was sent by this Office to the Respondent-Applicant requiring it to file its answer within fifteen days (15) from receipt which was duly received by it on the same date.

On January 19, 2001, Opposer filed an Urgent Motion to Resolve the Motion to Declare Respondent-Applicant In Default for failure to file the required answer which was GRANTED and allowed Opposer to present its evidence Ex Parte under Exhibits “A” to “S-3-A” inclusive of submarkings.

Well settled is the rule that the determinative factor in a contest involving registration of trademarks is not whether the challenged mark would actually cause confusion or deception on the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. To constitute infringement, the law does not require that the competing trademarks be so identical as to produce actual error or mistake. It would be sufficient for that similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it. (American Wire & Cable Co., vs. Director of Patents 31 SCRA 544)

In the case at bar and as shown by the evidence presented, the Respondent-Applicant’s trademark “YES CAFÉ”, is confusingly similar to the Opposer’s “NESCAFÉ”.

It must be noted that the two competing trademarks consist only of two words. The only distinction they have is that the Opposer’s mark “NESCAFÉ” has the letter “N” and the Respondent-Applicant’s mark has the letter “Y”. However, when the two marks are pronounced, they are almost the same, if not identical, hence, confusing similarity between the competing marks is very apparent.

Attention must be given to the observations of the Supreme Court made in the case of American Wire & Cable Co., vs. Director of Patents 31 SCRA 544 when it said that:

“xxx The similarity between the competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and last half of the appellations identical but the difference exist in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under class 20 xxx no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with another.”

Likewise, in holding BONAMINE to be phonetically similar to DRAMAMINE the Seventh Circuit Court said:

“DRAMAMINE and BONAMINE contain the same number of syllables; they have the same stress pattern, with primary accent on the first syllable and the last two syllables are identical. The initial sounds of DRAMAMINE and BONAMINE [-d-ad-b] are both what are known as voiced plosives and are acoustically similar. The only dissimilar sound in the two trademarks is the “R” in “DRAMAMINE”. Slight difference in the sound of similar marks will not protect the infringer” (G.S. Searle & Co. vs. Chaz. Pfizer & Co., [1959, CA z 111] 265 F 2d 386,121 USPQ 74). (Underscoring supplied)

In another case, the Supreme Court consistently ruled that the trademark “LIONPAS” for medicated plaster cannot be registered because it is confusingly similar to “SALONPAS”, a registered mark also for medicated plaster. The Supreme Court said:

“Although two letters of “SALONPAS” are missing in “LIONPAS”, nevertheless, when the two words are pronounced, the sound effects are confusingly similar. When goods are advertised over the radio, similarity in sound is a sufficient ground for holding that the two marks are confusingly similar when applied to merchandise of the same descriptive properties (MARVEX Commercial Co. Inc., vs. Petro Hawdia & Co., L-19297, December 22 1966 18 SCRA 1178)”

Also, in “CO TIONG SA vs. Director of Patents (L-5378, May 24 1954, 95 Philippines) the application for the trademark “FREEDOM” was rejected over the existing registration of the trademark “FREEMAN” for the same class of goods.

Moreover, the merchandise or goods being sold by the parties herein are ordinary commodities purchased by average persons who are at times ignorant and unlettered. These are the persons who will not as a rule examine the printed small letters on the container but will simply be guided by the striking dominant mark SUPER on the label. Differences there will always be, but whatever they are, these play into insignificance in the face of an evident similarity of the dominant features (the word super) and overall appearance of the labels (Phil. Nut Industry Inc., vs. Standard Brand Inc., 65 SCRA 575)

In another case, Operators Inc. vs. Director of Patents, 15 SCRA 149, the Supreme Court ruled:

“Considering the similarities in appearance and sound between the marks “AMBISCO” and “NABISCO”, the nature and similarity of the products of the parties, confusion of the purchasers is likely”.

In the case at bar, the mark “YES CAFÉ” of the Respondent-Applicant and “NESCAFE” of the Opposer are phonetically similar. The similarity of the trademarks in question as to sound is so clear and beyond further examination and hearing to determine the same is no longer necessary.

WHEREFORE, the Notice of Opposition is hereby SUSTAINED. Accordingly, the Application bearing Serial No. 94818 for the mark “YES CAFÉ” filed by Foodworld Manufacturing Corporation is hereby REJECTED.

Let the filewrapper of “YES CAFÉ” subject matter of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, 21 December 2001.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office