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|---------------------------|---|-----------------------------------|
| SOCIETE DES PRODUITS      | } | Inter Partes Case No. 14-00-00006 |
| NESTLE S.A.,              | } |                                   |
| Opposer,                  | } | Opposition to:                    |
|                           | } |                                   |
| -versus-                  | } | App. Serial. No.: 103186          |
|                           | } | Filed on : April 1, 1996          |
|                           | } | Trademark : "CARNATION &          |
| KANG NA HSIUNG ENTERPRISE | } | FLOWER DEVICE"                    |
| COMPANY, LTD.,            | } |                                   |
| Respondent-Applicant.     | } | Decision No. 2003 - 27            |
| x-----x                   | } |                                   |

## D E C I S I O N

This is an opposition interposed by Societe Des Produits Nestle, S.A. of Vevey, Switzerland to the application for registration of the mark "CARNATION" by Kang Na Hsiung Enterprise Co., Ltd. on the ground that the registration of the mark "CARNATION AND FLOWER DEVICE" in the name of Respondent-Applicant is proscribed both under Republic Act No. 166 (law applicable at the time of filing of application) and Republic Act No. 8293.

On April 1, 1996, Kang Na Hsiung Enterprise Co., Ltd. (herein after "Respondent-Applicant"), a corporation organized and existing under the laws of Taiwan with business address at 77-1, Tung-An-Liao, Chai-Li, Tai-Nan Hsien, Taiwas, Republic of China filed with the then Bureau of Patents, Trademarks and Technology Transfer an application for the registration of the trademark "CARNATION & FLOWER DEVICE" for wet towels and face tissue under Serial No. 103186. The application, as a matter of due course, was published, for opposition purposes, in the Intellectual Property Office Official Gazette, Volume II, No. 4, page 23, July-August 1999 issue as officially released for circulation on December 14, 1999.

Believing that it would be damaged by such registration Societe Des Produits Nestle, S.A., (hereinafter Opposer) a foreign corporation organized under the laws of Switzerland, as the assignee of the marks "CARNATION" and "CARNATION and FLOWERS", filed a Verified Opposition on March 28, 2000. It interposes its opposition on the ground that the registration of the mark "CARNATION & FLOWER DEVICE" in the name of Respondent-Applicant is proscribed both under Sec. 4 par. (d) of Republic Act No. 166 (law applicable at the time of filing of application) and Sec. 123, sub-sec. 123.1, pars. (d), (f) and (g) of Republic Act No. 8293.

Opposer relied on the following facts to support its opposition:

- "1. On January 25, 1972, Opposer was issued by this Honorable Office Certificate of registration No. 17259 for the CARNATION mark covering international class 47 (now class 29) renewed on January 25, 1992.
- "2. On April 25, 1985, Opposer was likewise issued by this Honorable Office Certificate of registration No. 34268 for the "CARNATION & FLOWERS" mark covering international classes 29 and 30.
- "3. Opposer has also obtained registration of aforesaid marks in at least 167 territories worldwide;
- "4. Through extensive and sustained promotions worldwide, both in the print and broadcast mass media, at a tremendous cost to Opposer, the latter's registered mark "CARNATION" and "CARNATION & FLOWERS" have become well-known

internationally and in the Philippines and the purchasing public have come to associate these marks with Opposer's goods;

- "5. Opposer has generated a considerable amount of goodwill for its registered marks "CARNATION and "CARNATION & FLOWERS" as marks of products excellence and intends, in the course of natural business expansion, to use said marks on other product lines or classes of goods;
- "6. It is the resultant goodwill and worldwide popularity of Opposer's registered marks that Respondent-Applicant wishes to exploit and capitalize on, albeit at the expense, and to the great damage and prejudice, of Opposer as well as the purchasing public;
- "7. The mark "CARNATION" being applied for registration by Respondent-Applicant is identical with, or at the very least, flagrantly and confusingly similar to Opposer's registered marks "CARNATION" and "CARNATION & FLOWERS" as likely to cause confusion, mistake and deception to the purchasing public as to the quality, source and origin of the goods, among others;
- "8. The use and approval for registration of Respondent-Applicant's mark will constitute an invasion of Opposer's property rights to its registered "CARNATION" and "CARNATION & FLOWERS" marks, and will cause irreparable damage and injury to Opposer.

On the part of the Respondent-Applicant, a Notice to Answer the Verified Opposition was duly served on them and notwithstanding the grant of an extension of time to file the required Answer, it failed to do so, hence, upon motion of the Opposer, it was declared in default by Order No. 2000-441 dated 27 September 2000 and Opposer was ordered to present its evidence *ex-parte*.

Pursuant to the order of default, Order No. 2000-441, Opposer presented its formal offer of evidence *ex-parte* on 21 December 2000 consisting of Certificate of Registrations issued by the then Philippine Patent Office (Exhibits "A" and "B", including its sub-markings), its list of current worldwide registrations (Exhibit "C" and its sub-markings), product labels as used in commerce (Exhibit "D" and its sub-markings), awards received by the trademark "CARNATION" (Exhibit "E" and sub-markings) and the affidavit-direct testimony of Gilbert M. Joven (Exhibit "F" and sub-markings). Thus, this case has to be decided upon the evidence presented by herein Opposer.

To determine the issues involved, first we have to determine the applicable law for the instant case. Record shows that Respondent-Applicant filed its application on April 1, 196 and that it remained pending when Republic Act No. 8293 took effect on January 1, 1998. Record also reveals that the application was prosecuted under Republic Act No. 166 hence, the law governing this instant controversy pursuant to Sec. 235.2 of Republic Act No. 8293, to wit:

"235.2. All applications for registration of marks or trade names pending in the Bureau of Patents, Trademarks and Technology Transfer at the effective date of this Act may be amended, if practicable to bring them under the provisions of this Act. The prosecution of such applications so amended and the grant of registrations thereon shall proceeded with in accordance with the provisions of this Act. If such amendments are not made, the prosecution of said applications shall be proceeded with and registration thereon granted in accordance with the Acts under which said application were filed, and said Acts hereby continued

in force to this extent and for this purpose only, notwithstanding the foregoing general repeal thereof.” (underscoring supplied)

According to Section 4 of Republic Act No. 166, or the Trademark Law as amended, it states that:

“Sec. 4. *Registration of trademark, trade names and service marks on the principal register.* There is hereby established a register of trademarks, trade names and service marks which shall be known as the principal register. the owner of the trademark, trade name and service mark used to distinguish his goods, business or services from the goods, business and services of others shall have the right to register the same on the principal register unless it:

---- x x x ----

(d) Consist of or comprises a mark or trade name which so resembles a mark of 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 service of the applicant, to cause confusion or mistake or deceive purchasers.”  
(Underscoring supplied)

The foregoing provision of law prescribes a stringent standard that a mark should be refused registration not only if it will actually cause confusion but also if it will likely to cause confusion or mistake or deceive purchasers.

Hence, the question in this case is whether there is a likelihood that the “CARNATION & FLOWER DEVICE” may cause confusion or mistake or may deceive purchasers as to the origin or source of the product on which the mark is used. In other words the issue is whether the trademark “CARNATION & FLOWER DEVICE” is confusingly similar to the trademarks “CARNATION” and “CARNATION & FLOWERS.”

The issue of likelihood of confusion or confusing similarity typically revolves around the similarity or dissimilarity of the marks and the relatedness of the goods or services on which the mark is being use. Other factors may be considered only if relevant evidence is contained in the record.

In the situation before us, it is not hard to arrive at a conclusion that the goods of the two parties connected with their respective trademarks are distinct and different from each other. They are so foreign to each other that it is unlikely that purchasers would think that Opposer is the manufacturer of the Respondent-Applicant’s goods even if they have identical trademark “CARNATION”.

Respondent-Applicant’s goods pertains to wet towels and face tissues while Opposer’s goods under Certificate of Registration No. 17259 renewed on January 25, 1992 covering the trademark “CARNATION” are instant powered non-dairy creamer for coffee and whipping, fish-namely: salmon, tuna, cod and crustaceans and mollusks, fresh citrus fruits, fresh vegetables, fresh melons and canned juice (Exhibits “A-5”). Likewise, under Certificate of Registration No. 34268 valid until April 25, 2005 covering the trademark “CARNATION & FLOWERS” the Opposer’s goods are evaporated milk, condensed milk, malted milk, rolled oats and corn flakes (Exhibits “B”).

The Supreme Court in the case of ESSO Standard Eastern, Inc., vs. The Honorable Court of Appeals and United Cigarettes Corporation (116 SCRA 336, 342 [1982]) ruled that:

“Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. (2 Callman Unfair Competition & Trademarks, p. 1257). Thus biscuits were held related to milk because they are both food products (Arce vs. Selecta Supra). Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. (Chua Che vs. Phil. Patent Office Supra)”

Pursuant to the aforesaid, Supreme Court ruling, the goods of the parties are obviously different from each other. From the enumeration of goods alone of the competing parties covered by the competing marks, one can readily see that they fall under different classes, they do not possess the same physical attributes or essential characteristics nor do they serve the same purpose, hence, they are neither competing nor can be considered as related goods.

Moreover, they are so foreign to each other as to make it unlikely that the purchasers would think that Opposer is the manufacturer of Respondent-Applicant's goods because they belong to different classes of goods. 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 on his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind (*American Foundries vs. Robertson, 269 US 372, 381*).

Opposer likewise claims that its registered marks “CARNATION” and “CARNATION & FLOWERS” are well-known internationally and in the Philippines, thus, deserves a broader scope of protection. To claim protection as a well-known mark, however, it is not enough that a mark is determined as well-known but it must also show that the mark is being used for the same or similar kinds of goods. In the case of Canon Kabushiki Kaisha vs. Court of Appeals and NSR Rubber Corporation (G.R. No. 120900, July 20, 2000) the Supreme Court, citing and affirmed the ruling of the Bureau of Patents Trademark and Technology Transfer in Inter-Partes Case No. 3043, (an Opposition filed by Canon Kabushiki Kaisha against the application of NSR Rubber Corporation for the registration of the trademark “Canon” for sandals), enumerates the conditions to avail of the protection for well-known marks provided for under Article 6bis of the Paris Convention, to wit:

“However, the then Minister of Trade and Industry, the Hon. Roberto V. Ongpin, issued a Memorandum dated 25 October 1983 to the Director of Patents, as set of guidelines for the implementation of Article 6bis of the Treaty of Paris. These conditions are:

- a) the mark must be internationally known;
- b) the subject of the right must be a trademark, not a patent or copyright or anything else;
- c) the mark must be for use on the same or similar kinds of goods; and
- d) the person claiming must be the owner of the mark (The parties Convention commentary on the Paris Convention. Article by Dr. Bogisch, Director General of the World Intellectual Property Organization Geneva, Switzerland, 1985).

From the set of facts found in the records, it is ruled that the Petitioner failed to comply with the third requirement of the said Memorandum that is the mark must be for use in the same or similar kinds of goods. The Petitioner is using the mark "CANON" for products belonging to class 2 (paints, chemical products) while the Respondent is using the same mark for sandals (class 25). Hence, petitioner's contention that its mark is well-known at the time the Respondent filed its application for the same mark should fail." (*Underscoring supplied*)

Based on the records of the instant case, the evidence presented by the Opposer consists of a listing of the registrations for the mark "CARNATION" in various countries (Exhibits "C", "C-1" to "C-25"), and Certificate of Registration No. 17259 renewed on January 25, 1992 covering the trademark "CARNATION" for the goods: instant powdered non-dairy creamer for coffee and whipping, fish-namely: salmon, tuna, cod and crustaceans and mollusks, fresh citrus fruits, fresh vegetables, fresh melons and canned juice (Exhibits "A-5"). Likewise, under Certificate of Registration No. 34268 valid until April 25, 2005 covering the trademark "CARNATION & FLOWERS" the Opposer's goods are evaporated milk, condensed milk, malted milk, rolled oats and corn flakes (Exhibits "B"). Nowhere can it be found in the evidence presented nor was it mentioned on the listing of its various registrations that Opposer's mark is being used on the goods of the Respondent-Applicant, i.e., wet towels and face tissues.

Thus as laid down by the above-mentioned Supreme Court decision, even assuming that Opposer's mark is well-known, still cannot claim protection as a well-known marks because the goods of Opposer and Respondent-Applicant are very dissimilar or distinct from each other. Judging from the physical attributes of the Opposer's and Respondent-Applicant's goods, there can be no doubt that confusion or likelihood of deception to the average purchaser is unlikely since the goods are non-competing and unrelated.

In the case of Faberge, Incorporated vs. IAC (215 SCRA 316), the Supreme Court ruled:

"One who has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others for products which are of different description. Petitioner's products are limited to after-shave lotion, shaving cream, deodorant, talcum powder and toilet soap. In as much as the petitioner has not ventured in the production of briefs, an item which is not listed in its certificate of registration, petitioner cannot and should not be allowed to feign that private respondent had invaded petitioner's exclusive domain. The certificate of registration issued by the Director of Patents can confer upon petitioner the exclusive right to use its own symbol only on those goods specified in the certificate, subject to any condition and limitation stated therein."

Although this case is governed by R.A. 166 as determined at the onset of this Decision, it is worthwhile to discuss Opposer's argument in its Memorandum pages 3 and 4, that the registration of Respondent-Applicant's mark "CARNATION" is proscribed under Section 123, Sub-section 123.1, par. (f) of R.A. 8293 or the Intellectual Property Code which provides:

"Sec. 123. Registrability. – 123.1 a mark cannot be registered if it:

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(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding

paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use.” (*underscoring provided*)

The determinative factor in denying the registration of an internationally well-known mark for goods which are not similar is that the use of the mark would indicate a connection between those goods and the owner of the registered mark. Based on the evidence presented, Opposer failed to establish how the use of the mark “CARNATION” in relation to Respondent-Applicant’s wet towels and face tissues would indicate a connection to Opposer’s goods falling under Classes 29 to 30 instant powdered non-dairy creamer for coffee and whipping, fish-namely: salmon, tuna, cod and crustaceans and mollusks, fresh citrus fruits, fresh vegetables, fresh melons and canned juice (Exhibits “A-5”), evaporated milk, condensed milk, malted milk, rolled oats and corn flakes (Exhibits “B”). Opposer also failed to establish that it is likely to be damaged by Respondent-Applicant’s use of the trademark “CARNATION” for its goods, which is an indispensable requirement under Section 123.1 (f) of the Intellectual Property Code.

Having considered all the evidence of record, this Office concludes that confusion is unlikely in the contemporaneous use of “CARNATION”, “CARNATION & FLOWER” and “CARNATION & DEVICE” for the parties’ respective goods. This was reached by giving the heaviest weight on the factual finding that the parties’ goods are not related and that Opposer failed to establish how the use of the mark “CARNATION” in relation to Respondent-Applicant’s goods would indicate a connection to Opposer’s goods or that Opposer’s interest is likely to be damaged.

IN VIEW OF THE FOREGOING, the Notice of Opposition is, as it is hereby DENIED. However, since Respondent-Applicant never bothered to file its Answer to the Notice of Opposition when required to do so and considering that under Rule 602 of the Rules and Regulations on Trademarks, Applicant has the duty to look after its own interest in the prosecution of its trademark application, which it has not shown in this case, consequently, Application Serial No. 103186 filed by Kang Na Hsuing Enterprise Company, Ltd., for the registration of the trademark “CARNATION & FLOWER DEVICE” used on the goods wet towels and face tissues, is hereby considered Voluntarily ABANDONED, for lack of interest on the part of herein Respondent-Applicant.

Let the file wrapper 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 thereof to be furnished the Bureau of Trademarks (BOT) for information and to update their records.

SO ORDERED.

Makati City, 24 June 2003.

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