OFFICE OF THE DIRECTOR GENERAL

BRISTOL-MYERS SQUIBB COMPANY,
Appellant,

-versus-

DIRECTOR OF THE BUREAU OF TRADEMARKS,
Appellee.
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Appeal No. 04-2010-0008

Application No. 4-2007-003304
Date Filed: 29 March 2007

Trademark: CHOCO MILK

D E C I S I O N

BRISTOL-MYERS SQUIBB COMPANY ("Appellant") appeals the decision of the Director of the Bureau of Trademarks ("Director") sustaining the final rejection of the Appellant's application to register the mark "CHOCO MILK".

Records show that the Appellant filed on 29 March 2007 Trademark Application No. 4-2007-003304 for CHOCO MILK for goods[1] falling under Classes 05, 29, and 30 of the Nice Classification.[2] Subsequently, the Examiner-in-Charge ("Examiner") issued a "REGISTRABILITY REPORT"[3] stating that the mark may not be registered because it consists exclusively of signs that are generic for the goods that they seek to identify.

On 26 July 2007, the Appellant filed a "RESPONSIVE ACTION" stating that it is willing to disclaim the word "milk" apart from the mark sought to be registered and that CHOCO MILK is not generic of the goods covered by it. According to the Appellant, this mark is not intended solely for chocolate-flavored milk but for all flavored milk, milk and milk-based beverages, and that this mark is merely suggestive of the goods that it seeks to identify. The Appellant maintained that

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[1] Class 05 – Nutritional supplement, in powdered form, containing vitamins and minerals to be mixed with milk to make a nutritionally complete beverage
Class 29 – Flavored milk, milk and milk based beverages
Class 30 – Chocolate milk, cocoa and cocoa based beverages, chocolate, strawberry and other flavorings for use in food and beverages.

[2] The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

[2] Paper No. 03 with mailing date of 04 December 2008.

[3] Paper No. 2 with mailing date of 29 June 2007.

CHOCO MILK is presently registered with the United States Patent and Trademark Office (USPTO) in its favor.

On 04 September 2007, the Examiner issued a "FINAL REJECTION"[4] stating that CHOCO MILK is a generic mark which cannot be registered. She asserted that "choco milk" is a term commonly used to refer to chocolate milk beverages and that the Appellant's voluntary disclaimer of the word milk is not enough to traverse the issue that CHOCO MILK is generic. She also maintained that CHOCO MILK was a subject of a previous trademark application that was rejected which has the effect of *res judicata* in respect of any subsequent action.

The Appellant appealed to the Director the Examiner's final rejection of CHOCO MILK but the appeal was denied.[5]

Not satisfied, the Appellant appealed to this Office with the following assignment of errors:

Assignment of Error/Issues

The Bureau Director and the Trademark Examiner gravely erred in rejecting the application on the following grounds:

A. CONTRARY TO THE DIRECTOR AND THE EXAMINER'S FINDINGS, THE SUBJECT MARK IS NOT GENERIC. AT MOST, THE MARK IS SUGGESTIVE, AND THEREFORE, MAY BE REGITERED;

B. THE APPELLANT HAS REGISTERED THE SUBJECT MARK, WHICH IS A WELL-KNOWN TRADEMARK, IN SEVERAL OTHER COUNTRIES IN THE PHILIPPINES;

C. RES JUDICATA DOES NOT APPLY AS APPLICATION NO. 4-2004-000636 CITED BY THE EXAMINER HAD BEED EXPRESSLY ABANDONED BY BRISTOL-MYERS;

D. THE FACT THAT THE SUBJECT MARK HAS BEEN REGISTERED IN OTHER JURISDICTIONS SUPPORTS APPELLANT'S SUBMISSION THAT ITS MARK IS NOT GENERIC.

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[4] Paper No. 04 with mailing date of 12 September 2007.
[5] Decision dated 19 April 2010.

In her comment to the appeal, the Director maintains that "CHOCO" is a generic term that means "CHOCOLATE". She argues that the Appellant's trademark application should be denied because of *res judicata* which applies despite the express abandonment made by the Appellant of a previous application on the same mark. She also contends that prior registrations that have been cancelled vest no rights and that under the principle of territoriality of trademark laws, the various foreign registrations of CHOCO MILK do not automatically entitle the Appellant the registration of its mark.

The main issue in this appeal is whether CHOCO MILK can be registered as a mark in favor of the Appellant.

Below is an illustration of the Appellant's mark.

CHOCO MILK

CHOCO MILK is a word mark composed of the two words "CHOCO" and "MILK". The Appellant has disclaimed the word "MILK" apart from the mark sought to be registered. In this regard, Sec. 123.1 (j) of the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it:

> (j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time, or production of the goods or rendering of the services, or other characteristics of the goods or services;

In this case, the Appellant's mark consists exclusively of the two words "CHOCO" and "MILK" which indicate the characteristics of the Appellant's goods namely, flavored milk and milk-based beverages. As CHOCO MILK designates the characteristics of the Appellant's goods, the Appellant is barred from registering these words.

In the case of *Societe Des Produits Nestle, S.A. and Nestle Philippines, Inc. vs. Court of Appeals and CFC Corporation,*[6] the Supreme Court of the Philippines held that a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are

[6] G.R. No. 112012, 04 April 2001.

provided in such a way that the consumer does not have to exercise powers of perception or imagination.

By using CHOCO MILK, the Appellant conveys to the purchasing public the nature and characteristics of its product. CHOCO MILK readily informed the purchasing public of the Appellant's flavored milk or milk-based products. CHOCO MILK in itself illustrates and gives this idea.

The Appellant cannot, therefore, register CHOCO MILK. Otherwise, the Appellant would have the exclusive right to use these words on goods similar to those covered by the Appellant's trademark application. This is not the rationale for registering a trademark. A mark must be a visible sign that distinguishes a goods or services of an enterprise.[7] CHOCO MILK does not distinguish the Appellant's products but only describes them.

The Appellant's contention that its mark is suggestive is not tenable.

Suggestive terms are those which, require "imagination, thought and perception to reach a conclusion as to the nature of the goods." Such terms, "which subtly connote something about the product," are eligible for protection in the absence of secondary meaning. While suggestive marks are capable of shedding "some light" upon certain characteristics of the goods or services in dispute, they nevertheless involve "an element of incongruity," "figurativeness," or " imaginative effort on the part of the observer."[8]

In the present case, the Appellant's use of CHOCO MILK would not require the purchasing public or the consumers to exercise their powers of perception or imagination to determine the Appellant's goods. Rather, this mark describes to the purchasing public the nature and characteristics of the Appellant's goods.

Accordingly, signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value or other characteristics of the goods cannot be registered. All persons have an equal right to produce and vend similar articles and describe them properly and to use any appropriate language or words for that purpose. No person can appropriate exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all.[9]

In addition, there is no merit to the Appellant's contentions that this Office has previously issued certificates of registration for this mark and that it has secured

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[7] See Sec. 121.1 of the IP Code.
[8] *Societe Des Produits Nestle, S.A. v. Court of Appeals*, G.R. No. 112012, 04 April 2001.
[9] *Ong Ai Gui Alias Tan Ai Gui v. Director of the Philippines Patent Office,* G. R. No. L-6235, 28 March 1955 citing 52 Am. Jur. 542-543.

certificates of registration in other countries. A perusal of these certificates of registration shows differences in the illustrations of CHOCO MILK in these certificates as compared to the instant trademark application. Nonetheless, even if the illustration of CHOCO MILK in the Appellant's trademark application is substantially similar to the marks in these certificates of registration, this Office is not prevented from ruling on the issue of whether CHOCO MILK can be registered in favor of the Appellant. As correctly pointed out by the Director:

> Contrary to this claim, however, only marks validly registered and existing can vest rights under the trademark law. Without an existing valid registration, no right for the exclusive appropriation of a particular mark can be made.
>
> Further, following the principle of territoriality of trademark laws, the various foreign registration of the subject mark do not automatically entitle applicant-appellant's mark to the registration in this jurisdiction.[10]

From the foregoing, this Office deems it unnecessary to delve on the other issues raised by the Appellant.

WHEREFORE, premises considered, the appeal is hereby DISMISSED. The Appellant's Trademark Application No. 4-2007-003304 for CHOCO MILK is hereby rejected.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Trademarks. Let a copy of this Decision be furnished also the library of the Documentation, Information and Technology Transfer Bureau for its information and records purposes.

SO ORDERED.

OCT 15 2012 Taguig City

RICARDO R. BLANCAFLOR
Director General

[10] COMMENT, dated 16 July 2010.