



OFFICE OF THE DIRECTOR GENERAL

SOCIETE DES PRODUITS
NESTLE S. A.,
Opposer-Appellant,

-versus-

COMPAÑIA DE PRODUCTOS
ALIMENTOS Y SEVICIOS
CORPORA S.A.,
Respondent-Appellee.

x-----x

Appeal No. 14-2012-0050

Inter Partes Case No. 14-2006-00136
Opposition to:
Application No. 4-1996-109084
Date Filed: 19 June 1996

Trademark: CAFÉ MONTERREY
TOSTADO NATURAL LABEL

DECISION

SOCIETE DES PRODUITS NESTLE S. A. ("Appellant") appeals the decision of the Director of the Bureau Legal Affairs ("Director") denying the Appellant's opposition to the registration of the mark "CAFÉ MONTERREY TOSTADO NATURAL LABEL".

Records show that COMPAÑIA DE PRODUCTOS ALIMENTOS Y SEVICIOS CORPORA S.A. ("Appellee") filed on 19 June 1996 Trademark Application No. 4-1996-109084 for CAFÉ MONTERREY TOSTADO NATURAL LABEL for use on coffee, artificial coffee, and tea. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 25 May 2006.

On 22 September 2006, the Appellant filed a "NOTICE OF OPPOSITION" claiming that it is the first to adopt and use the marks "MUG DEVICE", "MUG WITH COFFEE BEANS", and "MUG, RED" in the Philippines for coffee, artificial coffee and tea. The Appellant maintained that being the owner of these marks, it has the right to exclude others from registering or using an identical or confusingly similar mark like the CAFÉ MONTERREY TOSTADO NATURAL LABEL of the Appellee. The Appellant argued that the Appellee's mark nearly resembles in appearance its MUG DEVICE as to be likely to deceive or cause confusion. The Appellant averred that its marks are well-known internationally and in the Philippines and it has been issued certificates of registrations for its marks in major markets all over Europe, America, Oceania, and Asia. The Appellant asserted that its interests are likely to be damaged by the Appellee's

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use of CAFÉ MONTERREY TOSTADO NATURAL LABEL as this use would indicate a connection between the Appellant's and Appellee's goods.

The Appellant submitted copies of the trademark applications and registrations of its mark, pictures, promotional and advertising materials, articles, and affidavits of its witnesses to support the opposition.¹

The Appellee filed on 07 February 2007 a "VERIFIED ANSWER" denying the allegations and claims of the Appellant and contended that its mark is not confusingly similar with the Appellant's marks. The Appellee also argued that the mark "MUG DEVICE" which was filed in 2003 cannot be used against the Appellee's mark which was filed in 1996. The Appellee, thus, asserted that the Appellant was unable to prove that the intellectual property rights are being violated by the use of its mark. In addition, to support the registration of its mark, the Appellee submitted pieces of evidence indicating the registration of its mark and its variations in several countries.²

After the appropriate proceedings, the Director denied the opposition and held that applying the "Dominancy Test", the registration of the Appellee's mark will not result in likelihood of confusion. The Director ruled that the word "MONTERREY" is the dominant feature in the Appellee's mark, while the word "NESCAFE" is dominant in the Appellant's mark. According to the Director, "MONTERREY" and "NESCAFE" are printed in very clear lettering which reveals that no similarity exists between the Appellant's and Appellee's marks. The Director also held that the marks "MUG DEVICE", "MUG WITH COFFEE BEANS", and "MUG, RED" are not well-known, and that it is the mark "NESCAFE" which identifies the Appellant's coffee products.

The Appellant filed a motion for reconsideration which was denied by the Director in Resolution No. 2012-06(D). Not satisfied the Appellant filed on 28 August 2012 a "NOTICE OF APPEAL WITH MEMORANDUM OF APPEAL" reiterating its arguments in the Bureau of Legal Affairs that CAFÉ MONTERREY TOSTADO NATURAL LABEL is confusingly similar to its marks "MUG WITH COFFEE BEANS", "MUG DEVICE" and "MUG, RED". The Appellant also maintains its argument that its marks are well-known.

The Appellee filed on 29 October 2012 its "COMMENT [To the Appeal Memorandum dated 28 August 2012]" maintaining that the Bureau of Legal Affairs did not commit reversible error in ruling that there is no confusing similarity between the Appellant's and Appellee's marks.



¹ Exhibits "A" to "O", inclusive of sub-markings.

² Exhibits "6" and "7", inclusive of sub-markings.

Pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings, this case is hereby referred to mediation. Subsequently, on 29 November 2012, the IPOP HL Alternative Dispute Resolution (ADR) Services informed the Office of the termination of the mediation proceedings due to the refusal of the parties to undergo mediation.

The main issue in this appeal is whether the Director was correct in denying the Appellant's opposition on the ground that there is no confusing similarity between the Appellant's and Appellee's marks.

Below are the illustrations of these marks:



Appellant's marks



Appellee's mark

This Office agrees with the Director. The Appellant's and Appellee's marks are not confusingly similar. At a glance, one can see the obvious differences in these marks. The word "MONTERREY" easily distinguishes the Appellee's mark from those of the Appellant's. On the other hand, the absence of the word "NESCAFE" in the Appellee's mark prevents any likelihood of confusion that this mark would be associated with the Appellant. Hence, in appearance and presentation there is no confusing similarity between the Appellant's and Appellee's marks.

In determining confusingly similarity on marks, jurisprudence has developed two kinds of tests – the "Dominancy Test" and the "Holistic Test". Accordingly, the confusing similarity of marks is to be determined on the basis of visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks, which might cause confusion or deception and thus constitutes infringement. Moreover, the dominancy test relies not only on visual but also on connotative comparisons and overall impression between the marks. The Holistic Test, on the other hand, mandates that the entirety of the



marks in question must be considered in determining whether or not confusing similarity exists.³

In this case, whether this Office applies the Dominancy Test or the Holistic Test, the conclusion arrived at would be the same, that is, the Appellee's mark is not confusingly similar to the Appellant's mark. The two marks not only have visual dissimilarities but also have different overall impressions that the viewing public would not neither be confused nor would they associate the Appellee's mark as that of the Appellant's or vice versa. As correctly pointed out by the Director:

In the case at bar, the word "MONTERREY" and "NESCAFE" printed prominently on both labels of the contending marks easily attracts and catches the eye of the ordinary consumer and those are the words and none other that sticks in his mind when he thinks of "coffee".⁴

Accordingly, with the findings that the Appellant's and Appellee's mark are not confusingly similar and the fact that the Bureau of Trademarks has already allowed the publication of the Appellee's mark for having complied with the requirements for registration of the mark, this Office finds no need to resolve the other issues in this case.

Wherefore, premises considered, the appeal is hereby dismissed. 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 Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

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RICARDO R. BLANCAFLOR
Director General 

³ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

⁴ Decision No. 2007-135, dated 27 September 2007, page 9.