



NESTLE PHILIPPINES, INC.,  
Opposer,

-versus-

KNORR- NAHRMITTEL  
AKTIENGESELLSCHAFT,  
Respondent-Applicant.

X-----X

} IPC No. 14-2009-00223  
} Opposition to:  
} Appln. Serial No. 4-2008-013141  
} Date filed: 24 October 2008  
} TM: "REAL SARAP  
} ( STYLISTED) & DEVICE"

### NOTICE OF DECISION

**BENZON NEGRE UNTALAN**  
Counsel for Opposer  
2<sup>nd</sup> Floor SEDCCO Building  
Rada corner Legaspi Streets  
Legaspi Village, Makati City

**QUISUMBING TORRES**  
Counsel for Respondent-Applicant  
12<sup>th</sup> Floor, Net One Center  
26<sup>th</sup> Street corner 3<sup>rd</sup> Avenue  
Crescent Park West, Bonifacio Global City  
Taguig City

#### GREETINGS:

Please be informed that Decision No. 2012 - 103 dated June 25, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, June 25, 2012.

For the Director:

**Atty. ADORACION U. ZARE**  
Hearing Officer, BLA

**CERTIFIED TRUE COPY**

*Sharon S. Alcantara*  
**SHARON S. ALCANTARA**  
Records Officer II  
Bureau of Legal Affairs, IPO



NESTLE PHILIPPINES, INC.,  
*Opposer,*

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TM: REAL SARAP (STYLISED)  
& DEVICE

Decision No. 2012- 103

## DECISION

NESTLE PHILIPPINES, INC. ("Opposer")<sup>1</sup> filed on 11 September 2009 an Opposition to Trademark Application No. 4-2008-013141. The application, filed by KNORR-NAHRMITTEL AKTIENGESELLSCHAFT ("Respondent-Applicant")<sup>2</sup>, covers the mark "REAL SARAP (STYLISED) & DEVICE" for use on "*meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes, eggs, milk, edible oils and fats* under Class 29 and on *coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour, and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking- powder; salt, mustard, vinegar, sauces (condiments); spices; ice*" under Class 30 of the International Classification of goods<sup>3</sup>.

The Opposer alleges the following:

"I.

"Societe Des Produits Nestle S. A., and oppositor as its licensee, is the prior registrant and senior user of the mark MAGIC SARAP on the very same and identical goods endorsed by Respondent-Applicant's REAL SARAP mark.

"1. Societe Des Produits Nestle S. A. is the prior adopter, user and owner of the trademark MAGIC SARAP in the Philippines. The MAGIC SARAP mark was officially used by its licensee, Oppositor in the instant case, on 24 August 2004 in the Philippines, as shown by the attached (Exhibit 'C') printed copy of the MAGIC SARAP merchandising and promotional materials, a sample portion of which follows:

x x x

"2. The MAGIC SARAP trademark in the Philippines has the earliest filing date of 24 August 2004 under Class 30 for 'sauces' and 'seasoning products', among others. The registration for MAGIC SARAP, issued on 21 January 2006 in the Philippines, is appended to the notarized affidavit of Oppositor's Regional Intellectual Property Adviser, Atty. Jose Dennis R. Barot (attached as Exhibit 'D');

"3. Through the merchandising efforts of Oppositor, the MAGIC SARAP trademark has become a famous and well-known trademark, and has acquired immense and valuable goodwill as a result of enormous sums of money spent in advertising, promotions and sales in

<sup>1</sup> A corporation organized and existing under the laws of the Philippines with address at No. 31 Plaza Drive, Rockwell Center, Makati City 1200.

<sup>2</sup> A corporation organized and existing under the laws of Switzerland with address at Bahnhofstrasse 19, Thayngen CH-8240.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement concerning the International Classification of goods and services for the purpose of the Registration of marks concluded in 1957.

the Philippines and abroad. Attached as Exhibit 'E' are some of Oppositor's promotional materials nationwide. x x x

"4. On account of its aggressive marketing strategy, the return on investment with respect to the products represented by the MAGIC SARAP trademark has been substantial as well. In fact, between 2005 and 2009, the net proceeds from sales of its products averaged Php545,000,000.00, and has doubled almost every year since 2005. Total net profit from sales to date is in excess of Php3,000,000,000.00;

"5. Oppositor Nestle Philippines, Inc., was founded in 25 April 1911, and is today one of the Philippines' leading and largest food companies. The mark MAGIC SARAP is one of Oppositor's leading seasoning mix product. It offers a tasteful option for Filipino cooks and housewives;

"6. Oppositor has incurred marketing, promotional and advertising expenditures of at least Php100 million annually for its MAGIC SARAP trademark since 2005, and close to Php200 million annually since 2008. Worldwide and nationwide promotional and advertising activities and materials includes raffles, point-of-sale materials, posters, market standees, mass display units and print media, television and radio advertisements. Popular personalities such as Kris Aquino, Judy Ann Santos and Ai-ai Delas Alas were used as talents to promote and endorse MAGIC SARAP products and services in the MAGIC SARAP print and collaterals;

"7. Further, Oppositor maintains the <http://www.nestle.com.ph> website where information on Oppositor's MAGIC SARAP products can be easily accessed by consumers all over the world. Oppositor's MAGIC SARAP products and services are also promoted and advertised through the above-mentioned website;

"8. Oppositor's famous and well-known mark MAGIC SARAP had long become distinctive of the goods of the Oppositor, through Oppositor's aggressive and exclusive use these past five (5) years in Philippine commerce;

"9. Exploiting the popularity and goodwill of Oppositor's MAGIC SARAP mark in order to gain instant and unearned renown for its own directly competing seasoning products, Respondent-Applicant KNORR filed an application for the registration of the trademark REAL SARAP & DEVICE with the IP Philippines;

x x x

"15. Oppositor interposes this formal opposition on the ground that the mark REAL SARAP (STYLIZED) & DEVICE for the food seasoning products applied for in the name of Respondent-Applicant is proscribed under Section 123, sub-section 123.1, paragraphs (a), (d), (g), (i), (j) and (m) of R. A. No. 8293, viz.,: x x x

"II.

"Oppositor's composite registration MAGIC SARAP is a fanciful and/or arbitrary mark. Its noun component SARAP, when used in relation to its endorsed goods, is suggestive of contentment, enjoyment and satisfaction.

"16. The registration MAGIC SARAP is a fanciful composite trademark, used by Oppositor to endorse its seasoning mixes, in order to associate, in the minds of the purchasing public, the conviction that cooking with such product turns the ordinary cook into an extraordinary whiz in the kitchen, able to create feelings of contentment, enjoyment and comfortable satisfaction with his/her cooking;

"17. The term SARAP, when used for seasoning mixes, is actually suggestive of the comfort and good feelings all Filipinos associate with eating good and tasty food. In fact, the term SARAP, standing alone, is a noun, defined by authorities to refer to 'comfort', 'satisfaction'

and 'enjoyment';

x x x

"19. From the foregoing, the conclusion that the term SARAP, as used on seasoning mixes, is merely suggestive of feelings of enjoyment, contentment and satisfaction that may come from use of the product, is inescapable. Indeed, in order to be descriptive, the term would have to, as required by the court, take on its adjectival for as MASARAP;

x x x

"22. Verily, the root word SARAP connotes a multitude of different scenarios of happiness and enjoyment x x x. It is all these good feelings, and all these scenarios, that make SARAP a general term that can be used in relation to all of a person's five (5) senses, and not only to the sense of taste in relation to food. In fact, seasoning mix is not even food by itself that can be eaten directly. In short, SARAP does not 'consist exclusively of signs ... that may serve to designate the ... quality ... of the goods ...' pursuant to Sec. 123.1 (j) of R.A. 8293. Clearly therefore, SARAP does not act as a descriptor of the goods endorsed;

"23. In contrast, even if a noun may be considered to designate a quality of the goods, in the instant case, the term PANGPASARAP or PAMPASARAP is actually the correct descriptive term for seasoning mix products. From the foregoing therefore, it is clear that the term SARAP is at least twice removed from being descriptive of seasoning mixes;

"24. Despite the suggestive nature of the term SARAP, Oppositor agreed to a disclaimer on the term SARAP in its application for registration with this Honorable Office in order to expedite registration proceedings. It bears emphasizing however, that such disclaimer in no way alters the inherently suggestive nature of the term SARAP pursuant to Section 126 of R.A. 8293;

#### "II (A)

"Even assuming *arguendo* that SARAP is assessed as descriptive, it has become distinctive in favor of Oppositor by virtue of its extensive, continued and popular use since August 2004, and has acquired secondary meaning in accordance with Section 123.2 of the IP Code.

"25. Section 123.2 of the IP Code provides for the Doctrine of Secondary Meaning; x x x

"26. Under the Doctrine of Secondary Meaning, a mark originally incapable of appropriation may be registered if it has become distinctive of the applicant's goods in commerce and, in the mind of the public, indicates a single source to consumers. This rule is well entrenched in Philippine jurisprudence, as held by the Supreme Court in the case of *Ang v. Teodoro*, which states that:

x x x

"28. To establish secondary meaning, the manufacturer must show that, in the minds of the public, the primary significance of a product feature of a term is to identify the source of the product rather than the product itself. x x x

"29. In the present case, not only has the term SARAP in the mark MAGIC SARAP been used for a sufficient period of time, but there is also overwhelming evidence in the records of popular use in favor of Oppositor. The evidence on record shows that the association between 'SARAP', 'MAGIC SARAP' and Oppositor is strong and significant among Filipinos, because the mark MAGIC SARAP has been used extensively by the Oppositor since 24 August 2004. To repeat, to date, it has generated the total amount of Php3,000,000,000.00 net proceeds from sales, averaging an amount of Php545,000,000.00, and has doubled almost every year since 2005. Further, Oppositor has incurred marketing, promotional and advertising expenditures of at least Php100 million annually, since 2005;

"30. Authorities likewise note that while there is no period of antecedent use prescribed that will bar the acceptance of an application, it is clear the use has to be of such duration and frequency (and even if merely brief, of such popularity) that the significant sector or segment of the public knows such a mark to be that of the senior enterprise, producer or venture. In the instant case, there is no doubting Oppositor's consistent, extensive and popular use of the MAGIC SARAP mark, actively endorsed by such influential celebrities as Kris Aquino, Judy Ann Santos and Ai-ai delas Alas;

"31. In addition to the MAGIC SARAP registration already mentioned in the preceding argument, Oppositor has obtained and continues to obtain, various applications using 'SARAP' as a dominant and distinctive feature for its products using seasoning mixes. To date, among those are the following:

Mark : MAGGI CUP SARAP  
App. No. : 42001002332  
Fil. Date : 30 March 2001

Mark : SINANGKUTSANG SARAP  
App. No. : 42000006204  
Fil. Date : 24 July 2000

"32. It must be emphasized that Section 123.2 of the IP Code would consider proof of substantially extensive and popular use of the mark in commerce for five (5) years prior to the claim of distinctiveness as prima facie evidence that the mark has become distinctive. There is no denying therefore that 'SARAP' has acquired secondary meaning in favor of Oppositor, having been extensively promoted, sold and distributed nationwide, in aggressive and continuous use since 24 August 2004, or for five (5) years to date. In fact, popular and extensive use of the sign SARAP dates all the way back from 24 July 2000, when Oppositor first developed the SARAP sign as a unique indication of source in favor of Oppositor, in its application SINANGKUTSANG SARAP;

"33. It is clear from the evidence on record, and the foregoing, that SARAP deserves distinction in favor of Oppositor, having achieved secondary meaning in recognition of the relevant public's acceptance of the mark and the goodwill earned from extensive and popular use for five (5) years;

x x x

"35. It is clear from the foregoing therefore, that the sign SARAP has evolved a secondary meaning, as to indicate a single and unique source in favor of Oppositor, for its endorsed seasoning mix. Consequently, SARAP MIX is the popular, current colloquial term used to refer to Oppositor's MAGIC SARAP seasoning mixes;

"III.

"Under both the Holistic and the Dominancy Test, Respondent-Applicant's REAL SARAP & DEVICE Application is Confusingly Similar to Oppositor's MAGIC SARAP Registration.

"36. A proper application of the standards for determining the existence of confusing similarity under prevailing jurisprudence will lead to the inevitable conclusion that the marks in dispute are indeed confusingly similar, if not identical. x x x

x x x

"41. A simple examination of the marks MAGIC SARAP and REAL SARAP & DEVICE will readily show that the identical sign SARAP is an essential and eye-catching feature of both marks, as encountered in the marketplace. The identical sign SARAP is the compelling element that impresses the minds of relevant purchasers, as it is used to mean the same thing,

resonates with the identical phonetic equivalent, and is the first indicator that comes to mind when a purchaser strives to recall the product. In recollecting the product from memory, a purchaser will not allude to REAL seasoning mix; rather, he/she would isolate the compelling term SARAP, and consequently ask for SARAP mix;

"42. It is clear and unmistakable that the compelling feature of Respondent-Applicant' REAL SARAP & DEVICE is the identical sign SARAP, which is so visually and aurally identical to Oppositor's MAGIC SARAP, as to certainly cause confusion, mistake and deception on the part of the purchasing public, misleading them into thinking that Respondent-Applicant's seasoning mix products may just be another variant of Oppositor's endorsed seasoning mixes, or are otherwise affiliated or connected with it;

x x x

"44. The portion REAL and additional element of a DEVICE in Respondent-Applicant's mark are insignificant and less compelling to the purchaser as an indication of source, that their inclusion does not preclude the likelihood of consumer confusion as to the origin of the goods bearing the REAL SARAP & DEVICE mark. It is only the identical and dominant element SARAP that directly and effectively impresses the minds of the consumers;

x x x

"47. In exactly the same manner, in the instant case involving MAGIC SARAP and REAL SARAP seasoning mixes, the relevant purchaser will ask for SARAP mix, and not for REAL;

"48. Worse, the alleged heart device in REAL SARAP & DEVICE is disregarded by the relevant purchaser, as the same delivers no impact on the perception of the public that would distinguish it from Oppositor's MAGIC SARAP products. The case of *In Re Appetito Provisions Co. Inc.*, explains: If a mark comprises a word and a design, greater weight is often given to the word, because it is the word that purchasers would use to refer to or request the goods or services. In fact, the design element in a mark is less important than the word element in creating an impression. While the design is not ignored, the fact is that the purchasing public is more likely to rely on the word portion of the mark as an indication of source;

### "III (A)

"Regardless whether the term SARAP is assessed as descriptive or suggestive, the same does not preclude its evaluation as the essential and compelling feature of the marks MAGIC SARAP and REAL SARAP & DEVICE, such that confusion between the disputed marks is likely;

x x x

"55. x x x Oppositor and its licensor Societe Des Produits Nestle S. A., has sufficiently and satisfactorily shown that it is the owner, prior user and registrant of the MAGIC SARAP mark; MAGIC SARAP is famous and well known in the Philippines; and MAGIC SARAP is extensively promoted and used in commerce in the Philippines for the past five (5) years; Oppositor's evidence therefore adequately proves that Respondent-Applicant's use of the mark REAL SARAP & DEVICE indicates a connection between its goods and those of Oppositor causing deception, confusion and mistake amongst the purchasing public. Worse, Oppositor is likely to be damaged by Respondent-Applicant's use and registration of the REAL SARAP & DEVICE mark;

### "III (B)

"Actual confusion is best evidence of likelihood of confusion

x x x

“III (C)

Oppositor's protected rights over the registration MAGIC SARAP precludes registration of the confusingly similar mark REAL SARAP & DEVICE in favor of Respondent-Applicant

x x x

IV

“The application for the registration of REAL SARAP & DEVICE intrinsically flawed and fatally infirm for being tainted with bad faith and fraud

IV (A)

Bad faith registration can never ripen into ownership. Hence, the application REAL SARAP & DEVICE is fatally defective and must be denied registration

x x x

IV (B)

“Use of an identical sign on same/identical goods of a direct business competitor taken as prima facie evidence of bad faith

x x x

“64. Respondent-Applicant prosecutes the application REAL SARAP & DEVICE in bad faith, as there is no denying that it employed the term ‘SARAP’ in order to directly and immediately associate and juxtapose itself to the identical goods endorsed by its long-standing business rival's well-known MAGIC SARAP mark;

“65. Respondent-Applicant KNORR is just such a bad faith applicant, with the explicit and manifest intent of exploiting the goodwill generated by Oppositor's MAGIC SARAP mark here in the Philippine market, particularly in light of the prior use, extensive promotion and strong popularity of Oppositor's registration in the condiment industry via the MAGIC SARAP seasoning mix;

“66. Respondent-Applicant's bad faith in pursuing registration of the REAL SARAP & DEVICE application is confirmed by the High Court in a long line of cases, viz: ‘Evident bad faith’ connotes not only bad judgment but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will. Evident bad faith contemplates a state of mind affirmatively operating with furtive design or with some motive or self-interest of ill-will or for ulterior purposes;

x x x

IV (C)

Formulation of the mark REAL SARAP & DEVICE is merely reactive to its direct and immediate rival's registration MAGIC SARAP, on identical goods – junior user held to ‘expert knowledge’ standard of its direct competitor's senior use of a mark

“68. Oppositor reiterates that a claim of ownership must be in good faith, that is, the basis of ownership is independent from or not derived from the other and absolutely, was not copied. From Respondent-Applicant's use of the term SARAP on seasoning mixes alone, the presumption that the same was copied from Oppositor's MAGIC SARAP seasoning mixes in contemplation of fraud is established. Verily, the court have ruled, time and again, that not only does a presumption of wrongful intent arise if a defendant adopts a virtually identical sign when others are available, but that its use of a mark with knowledge of another's prior use

supports the inference that the infringement was intentional, thus: x x x

x x x

"70. Such an inference is the only inevitable conclusion in Respondent-Applicant's case. Any assertion therefore, on Respondent-Applicant's part, as a long-stranding competitor, that it was unaware of Oppositor's MAGIC SARAP products should not be accorded any weight, such a claim having been described as difficult to believe, especially in light of the extensive publicity that Oppositor campaigned in favor of its MAGIC SARAP mark these past five (50) years. The court explains that ordinarily, a competitor has more than a general knowledge of the nature of its rival's business, for he is informed on the details of his competitor's efforts. Verily, the court explains it is stretching credulity beyond its breaking point to suppose that he would not have familiarized himself with the brands and names under which his competitor does business;

#### IV (D)

"The Respondent-Applicant's use of the application REAL SARAP on seasoning mixes indicates a false connection in Oppositor's MAGIC SARAP seasoning mix products

"71. Respondent-Applicant's use of REAL SARAP on seasoning mixes will dilute the distinctiveness of the Oppositor's own MAGIC SARAP for the same goods, as such usage effects on immediate association and connection between the two competing marks;

x x x

"73. In the same manner, the terms REAL and MAGIC only take on significance when combined with the term SARAP in order to serve its function as a trademark;

"74. When REAL and MAGIC are suffixed to SARAP, a specific dimension is added such that both marks are thereby, in the words of the court, brought into the same ballpark. Thus, inevitably, REAL SARAP would suggest MAGIC SARAP and vice versa;

x x x

"76. In the same manner, in the instant case, there are several classes of relevant purchasers to be considered. End users range from household help instructed to buy seasoning mixes or SARAP mix to the frazzled housewife who hurriedly pinpoints the location of seasoning mixes and grabs a package with the sign SARAP, to the more sophisticated purchasers who are out to select products that make it more convenient to cook;

"77. In all the foregoing instances, a connection or association between the two marks will inevitably be drawn in the minds of these purchasers. Household help who are instructed to buy SARAP mix from a sari-sari store, apart from causing confusion on the part of the help when confronted with not one, but two products bearing the identical sign SARAP, will likewise cause confusion on the part of the vendor, who will not know which, between the two seasoning mixes marked with the identical sign SARAP, its customer is referring to. The hurried housewife, who will remember that her family liked the dishes she cooked with what she recalls as SARAP flavoring, will hurriedly grab the first package she sees that carries the SARAP sign. The more leisurely purchaser, who will peruse the aisles for cooking aids, will inevitably connect the two marks, that via the sign SARAP, the two seasoning mixes are undoubtedly variants of the same seasoning line, from the same source;

x x x

"79. It bears reiterating how this false connection that is inevitably established between the two marks, causes immediate and direct damage to the Oppositor's goodwill via its MAGIC SARAP mark, as the senior user of the same. As pointed out earlier, the recall factor that Oppositor took great care in cultivating, through careful and aggressive promotion of its



MAGIC SARAP mark, and exacting, painstaking observation of the highest standards in developing and manufacturing its product for the past five years, diminishes for every single instance its MAGIC SARAP mark is associated to the junior user REAL SARAP;

IV (E)

“Respondent-Applicant misuses the mark REAL SARAP & DEVICE by subjecting it as a vehicle to establish a false connection to its long-standing competitor’s MAGIC SARAP mark and its endorsed goods

“80. Respondent-Applicant’s fraudulent intent does not stop at copying a distinctive and essential portion of Oppositor’s MAGIC SARAP mark, but compounds it by its deliberate and pre-meditated use of the term REAL, which, by meaning, appearance and sound, directly juxtaposes itself to MAGIC in the minds of the public. By using the term SARAP, Respondent-Applicant stresses, to relevant purchasers, an association to Oppositor’s MAGIC SARAP products;

x x x

IV (F)

“Respondent-Applicant’s concerted and underhanded manner of establishing a false connection with MAGIC SARAP via the application REAL SARAP & DEVICE is an unfair business/trade practice as defined by Philippine laws on Unfair Competition

“84. Respondent-Applicant’s scheme of introducing an identical product in the mark that would compete with Oppositor’s MAGIC SARAP seasoning mixes, by riding on a connection to, or association with, the hard-won goodwill of another, is unfair trade practice proscribed by the Intellectual Property Code the Philippines, viz: x x x

IV (G)

“Respondent-Applicant’s intentional use of the term SARAP as a means of associating itself to Oppositor’s MAGIC SARAP mark, is compounded by strategic side-by-side market display of the respective goods

“86. The disputed application is undoubtedly similar to Oppositor’s MAGIC SARAP via the identical sign SARAP. Further, the manner by which the store display is intentionally arranged by Respondent-Applicant, reinforces the false connection established to Oppositor’s mark;

“87. As stated in paragraph 12 of Atty. Barot’s Affidavit, Respondent-Applicant pays store-owners and proprietors for market positioning and display for its REAL SARAP products, intending that the same should be placed side-by-side with Oppositor’s MAGIC SARAP goods;

x x x

IV (H)

“Oppositor and Respondent-Applicant, as immediate and direct business rivals in long standing and persistent competition with one another, requires a lesser showing of similarity between its sponsored marks, in determining fraudulent intent

x x x

IV (I)

“Respondent-Applicant’s usage of REAL SARAP & DEVICE misleads the public, and is

contrary to public order and morality

x x x

"92. As recently as March 2008, despite the fact that the mark REAL SARAP (STYLIZED) & DEVICE has not yet even been published for opposition, Respondent-Applicant has misrepresented REAL SARAP to be a registered trademark by publishing advertising features that include the registered trademark symbol immediately after the word SARAP i.e., REAL SARAP;

"93. This act clearly illustrates the Respondent-Applicant's intention to mislead the public from the use of the REAL SARAP & DEVICE application by placing the word on notice that the words REAL SARAP are registered trademarks when in fact they are not;

IV (J)

"Confluence of evidence of Respondent's bad faith in pursuing registration of the mark REAL SARAP & DEVICE is substantial

"94. From the foregoing, the numerous indicia and badges of bad faith and fraud on the part of Respondent-Applicant in its pursuit of the registration of the application REAL SARAP & DEVICE is not only substantial, but overwhelming. Such badges of fraud lend the absolute conviction that Respondent-Applicant lacks the necessary good faith contemplated by the law in granting rights and protection to trademark owners;

"95. The Respondent-Applicant's use, sale and distribution of goods bearing the mark REAL SARAP are inflicting considerable damage to the Oppositor's interests and to allow the Respondent-Applicant to register REAL SARAP & DEVICE will constitute a mockery of our laws protecting intellectual property rights and will legitimize the Respondent-Applicant's unfair and unlawful business practice;

V

"REAL & DEVICE consists exclusively of terms and signs that are merely descriptive of its endorsed goods

"96. Oppositor (as well as other food companies) has used and intends to use the word REAL either by itself or in combination with other words or trademarks to describe or designate its food products;

"97. The term REAL as a synonym of the word NATURAL, is a general label statement used in the food industry to describe an ingredient of a food product. x x x

"98. Respondent-Applicant itself has been using the term REAL in a generic and descriptive fashion in relation to its seasoning mix product;

"99. Further, since the commencement of advertising for the Respondent-Applicant's REAL SARAP product began on 23 January 2008, Respondent-Applicant has consistently used phrases like REAL QUALITY, REAL HERBS AND SPICES, REALISTA and MAS MASARAP PAG REAL, clearly showing an intention to use the word REAL not in the concept of a trademark, but rather as a descriptor of the product itself;

V (A)

"Respondent-Applicant's claimed device, allegedly in the shape of a heart, is merely a vaguely circular lighting background that serves no other purpose other than to highlight the terms REAL SARAP emblazoned in royal red across it

"100. Though Respondent-Applicant claims that its trademark application comes with a heart

device, such heart device is not presented in the mark as applied for. Neither was it presented before the market. From the application and the label, it is clear that the supposed heart device is nothing but a vaguely circular background light scattered around consisting of shapes of spices and ingredients that supposedly comprise Respondent-Applicant's product. Clearly, as used, the elements REAL & DEVICE are completely comprised of descriptive terms that serve mere functional use, and is therefore not entitled to registration with this Honorable Office, in accordance with the proscription of the IP Code against registration of wholly descriptive or generic marks."

In support of its opposition, the Opposer submitted as evidence the certified true copy of the Exclusive Trademark License Agreement between Societe Des Produits Nestle S.A. and Nestle Philippines, Inc., the original Power of Attorney issued by the Opposer in favor of the law firm Bengzon Negre Untalan Intellectual Property Attorneys, printed copy of the MAGIC SARAP merchandising and promotional materials, the affidavit of Atty. Dennis Jose R. Barot who is the Opposer's Regional Intellectual Property Adviser, the Opposer's nationwide promotional materials, and a copy of the printout of the page of the "*e-Gazette*" showing the publication on 15 May 2009 of the Respondent-Applicant's trademark application.<sup>4</sup>

The Respondent-Applicant filed its Answer on 02 February 2010, alleging among other things, the following:

"35. Respondent is entitled to register the mark REAL SARAP (STYLISED) & DEVICE under the IP Code

"36. Respondent's mark REAL SARAP (STYLISED) & DEVICE is distinct in appearance, spelling and sound from Opposer's mark MAGIC SARAP.

"37. Having expressly disclaimed the element SARAP in its mark MAGIC SARAP, Opposer is estopped from asserting confusing similarity with Respondent's mark REAL SARAP (STYLISED) & DEVICE on the basis of the word SARAP in both of the Opposer's and Respondent's marks.

"38. The element SARAP is descriptive of the nature, characteristic or quality of food products, including goods in class 30 to which Opposer and Respondent's products belong. Hence, SARAP is incapable of exclusive appropriation. This is confirmed by the various third party marks containing the element SARAP which were allowed registration for food products by the Intellectual Property Office only after disclaimer of the element SARAP.

"39. Respondent does not claim exclusive rights to use the element SARAP apart from its mark SARAP (STYLISED) & DEVICE as a whole.

"40. Respondent has independently earned significant goodwill through constant and use of its mark SARAP (STYLISED) & DEVICE, which is a separate property right entitled to protection.

"41. Based on the foregoing, Opposer cannot rightfully claim any relief against Respondent. It is clear that the assailed acts of Respondent were all done in good faith and in accordance with the provisions of existing laws. Hence, the Opposition is completely baseless and should be dismissed for lack of merit."

The Respondent-Applicant's evidence consists of the original legalized Verified Answer; the original notarized affidavit of Leah Jose-Sebastian; the original legalized certificate on the authority of Michel Rorai and Annemicki de Blois to verify the Answer and

<sup>4</sup> Marked as Exhibits "A" to "F".

execute the certificate of non-forum shopping and the authority of the Respondent-Applicant's counsel; the original promotional "T-shirt" of the KNORR seasoning mix products which include the REAL SARAP, the original merchandise tray, original tarpaulin posters, including original cardboard poster featuring high-profile celebrity actress Claudine Barreto-Santiago, for "*KNORR REAL SARAP All Purpose Seasoning Mix*" products; and advertisements and other materials used in the promotion of the "*KNORR LASAP SARAP All Purpose Seasoning Mix*".<sup>5</sup>

The Opposer filed a Reply on 12 February 2010 attaching a compact disc copy of both parties' marketing templates used in the promotion of their respective products and printout of the screen shots of Opposer's TV commercial depicting the dialogue:

"SIYA LANG ANG KAILANGAN KO. SIYA'Y ALL-IN-ONE. KAYA BAWAL SA IBA. MAGGIE MAGIC SARAP. SIMPLENG SINANGAG AT ADOBO MAY ISASARAP PA, BASTA MAY MAGIC. IBUDBOD LANG SA SIMPLENG GULAY, TILAPIA O NILAGA, MAGICAL NA. MAGGI MAGIC SARP IS ALL WE NEED!"

and

"NAGMAGIC KA NA BA? PAG MAY ALL-IN-ONE MAGGI MAGIC SARAP ANG SINANGAG, ANG ORDINARY ALMUSAL, MAGIC-SILOG NA. MAGMAGIC KA NA.";

printout of the screen shots of Respondent-Applicant's TV commercial depicting the script:

"ANG REALISTA, MAKA-REAL QUALITY. ANG BASTA-BASTA, HINDI PAPASA. ANG REALISTA, MAKA-EBIDENSYA. NANINIWALA LANG SA NAKIKITA. LAHAT KAMI, REALISTA. KNORR REAL SARAP. KITA KO ANG REAL HERBS AND SPICES OH. KAYA ANG SARAP TALAGA NG NALUTO KO. KAYA PARA SA AKIN. PARA SA AMIN. PARA SA AKIN. AT SA AKIN. MAS MASARAP PAG-REAL. KNORR REAL SARAP. IKAW REALISTA KA NA BA?";

and copy of PSRC Research International's survey report.<sup>6</sup>

In turn, the Respondent-Applicant filed a Rejoinder on 08 March 2010. After the Preliminary Conference was terminated on 05 April 2010, the Respondent-Applicant filed its Position Paper on 04 May 2010 while the Opposer did so on 04 May 2010.

Sec. 123.1 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services, or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

In this regard, the records and evidence submitted show that at the time the Respondent-Applicant filed its trademark application on 24 October 2008, the Opposer has an existing trademark registration for the mark MAGIC SARAP. The Respondent-Applicant's

<sup>5</sup> Marked as Exhibits "1" to "8", inclusive.

<sup>6</sup> Opposer marked the attachments to its Position Paper as Exhibits "1" to "4", inclusive.

application indicates goods that are similar to those covered by the Opposer's trademark registration.

But are the competing marks, as shown below, identical or nearly resembling each other such that deception or confusion is likely to occur?

MAGIC SARAP



*Opposer's mark*

*Respondent-Applicant's mark*

The feature common to the competing marks is the word “*sarap*”, which is an ordinary word in the vernacular. If used in relation to food, the word “*sarap*” connotes or roughly means “good taste”. Thus, “*sarap*” as a mark or as a part of a trademark for food seasoning mixes for food and similar or closely related goods or products, is obviously not unique or distinctive. The word is practically used by the manufacturer to describe the product. Therefore, “*sarap*” as a trademark for food, food seasoning, and closely related products should not be registered.

The word “*sarap*”, however, may be paired with another word to form a trademark for use on food and closely related goods. The resulting composite mark could turn out as a suggestive mark which as a whole may be allowed, albeit considered as a weak mark. In the Trademark Registry of the Intellectual Property Office of the Philippines, the contents of which the Bureau can take cognizance of via judicial notice, there are several trademarks consisting of the word “*sarap*” or in pair with other word or device that are registered or applied for registration.

Aptly, it is the word and/or even a device, that is paired with the word “*sarap*” that would determine whether such mark is distinctive by itself and in relation to other marks, and thus possibly registrable. Corollarily, in this case, those other words and/or devices used by the parties will determine whether the competing marks are confusingly similar with one another. Significantly, both the Opposer and the Respondent-Applicant disclaimed the word “*sarap*” in their respective trademark registration or application.

This Bureau judiciously examined the competing marks and finds that these marks are not confusingly similar with one another. The word paired with “*sarap*” in the Respondent-Applicant's mark is “REAL” which is obviously different - not even resembling - to the word “MAGIC” in the Opposer's mark. “REAL” and “MAGIC” do not share the same spelling, sound, and meaning. The word “REAL” in REAL SARAP draws the eyes and the ears in the same manner that “MAGIC” in MAGIC SARAP catches the attention of the consumers. These words define the parties' respective marks and which the consumers will remember, thus, easily distinguishing one product from the other. Furthermore, the Respondent-Applicant's mark is written inside or within a heart-shaped design of tiny flowers and leaves representing granules of herbs and spices thereby adding thereto visual properties that are totally absent in the Opposer's mark.

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>7</sup> This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

**WHEREFORE**, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2008-013141 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 25 June 2012.

  
**ATTY. NATHANIEL S. AREVALO**  
Director IV  
Bureau of Legal Affairs *N*

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<sup>7</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.