SOCIETE DES PRODUITS NESTLE S.A., Opposer, **-versus-** **SAN MIGUEL PUREFOODS COMPANY INC.,** Respondent –Applicant.	}	**IPC No. 14-2012-00174** Opposition to: Appln. Serial No. 4-2011-007530 Date Filed: 28 June 2011 **TM: "SAN MIG COFFEE 3 IN 1 STRONG LABEL DESIGN"**

NOTICE OF DECISION

BETITA CABILAO CASUELA SARMIENTO
Counsel for the Opposer
Suite 1104, Page One Building
1215 Acacia Avenue, Madrigal Business Park
Ayala Alabang, Muntinlupa City

ANGARA ABELLO CONCEPCION REGALA & CRUZ
Counsel for the Respondent-Applicant
22nd Floor, ACCRALAW Tower
Second Avenue corner 30th Street
Crescent Park West, Bonifacio Global City
Taguig City

GREETINGS:

Please be informed that Decision No. 2014 - 69 dated March 10, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 10, 2014.

For the Director:

Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs

SOCIETE DES PRODUITS NESTLE S.A.,	}	**IPC No. 14-2012-00174**
Opposer,	}	Opposition to:
	}	
-versus-	}	Appln. Serial No. 4-2011-007530
	}	Date filed: 28 June 2011
	}	**TM: SAN MIG COFFEE 3IN1**
SAN MIGUEL PUREFOODS COMPANY, INC.,	}	**STRONG LABEL DESIGN**
Respondent-Applicant.	}	
x----------x		**Decision No. 2014-** 69

DECISION

SOCIETE DES PRODUITS NESTLE S.A. ("Opposer")[1] filed an opposition to Trademark Application Serial No. 4-2011-007530. The application, filed by SAN MIGUEL PUREFOODS COMPANY, INC. ("Respondent-Applicant")[2], covers the mark "SAN MIG COFFEE 3IN1 STRONG LABEL DESIGN" for use on "coffee, artificial coffee and coffee-related products" under Class 30 of the International Classification of Goods and Services.[3]

The Opposer alleges that it is the first to adopt, use and file an application for registration in the Philippines of the "MUG DEVICE" or "MUG RED" mark for several goods among which is coffee and, therefore enjoys the protection under Sec. 147 of Republic Act No. 8293, also known as Intellectual Property Code of the Philippines ("IP Code"). According to the Opposer, its mark is well-known internationally and in the Philippines, hence, the Respondent-Applicant's mark cannot be registered in this country, especially for identical and similar goods pursuant to the express provision of Sec. 123 (e) of the IP Code. It also contends that "SAN MIG COFFEE 3IN1 STRONG LABEL DESIGN" nearly resembles in appearance the "MUG DEVICE" or "MUG RED". Adopting the mark "SAN MIG COFFEE 3IN1 STRONG LABEL DESIGN" is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association with the Opposer, or as to origin, sponsorship, or approval of its goods by the Opposer for which the Respondent-Applicant is liable for false designation of origin and false description or representation under Sec. 169 of IP Code.

To support its opposition, the Opposer submitted as evidence the following:

1. Exhibit "A" – picture of reusable glass jar as stated in the first two paragraphs of column (1) of the Quarterly Supplement of Nestle Family Balita, 15 June 1998 issue;

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[1] A corporation duly formed under the law of Switzerland with business address at Vevey, Switzerland,
[2] With address at 23 Flr., ADB Avenue, Ortigas, Pasig City, Metro Manila.
[3] 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.

2. Exhibits "B" to "B-3" – trademark application form re: Serial No. 4-2003-0004210 showing the mark "MUG DEVICE" Declaration of Use;
3. Exhibit "C" – Declaration of Actual Use;
4. Exhibit "D" – copy of Trademark Reg. No. 033402;
5. Exhibits "E" to "E-8" – registrations covering goods under Classes 10, 20, 29, 30, 32, 57, 58 and 61 for the mark "MUG RED" issued in major markets all over Europe, America, Oceania and Asia (Protection List);
6. Exhibits "F" to "F-8" – samples of labels, packages and advertisements;
7. Exhibit "G" – video in CD Rom;
8. Exhibits "G-1" to G-15" – printouts of a power point presentation;
9. Exhibit "G-16" – foreign newspaper advertisement;
10. Exhibit "H" – A/C Nielsen Homepanel data;
11. Exhibits "I" to "I-1" – printout copy of the pertinent page of magazine downloaded from http://bwnt.businessweek.com/brand/20061;
12. Exhibit "J" – 15 June 1998 Quarterly Supplement of Nestle Family Balita;
13. Exhibit "K" – document entitled "NESCAFE CLASSIC PACKAGING EVOLUTION 1938-1989";
14. Exhibits "L" to "L-6" – document entitled "NESCAFE CLASSIC PACKAGING EVOLUTION 1938-1989"
15. Exhibits "M" to "M-1" – marketing advertisements and promotions of its goods covered under the mark "SAN MIG COFFEE 3IN1 SUGAR FREE STRONG LABEL DESIGN";
16. Exhibit "N" – E-Gazette printout copy;
17. Exhibit "O" – Agreement's copy; and
18. Exhibits "P" to "P-2" – affidavit of Dennis R. Barot, together with their annexes.

This Bureau received the Respondent-Applicant's Answer on 12 September 2012. The Respondent-Applicant denies all the material allegations in the opposition. It argues that its mark "SAN MIG COFFEE LABEL MARK" is not confusingly similar to Opposer's "MUG DEVICE" because the marks are visually, phonetically, aurally and conceptually different from each other as consistently ruled by this Bureau in cases involving the same parties and substantially the same marks. According to the Respondent-Applicant, a picture of a mug, more so filled with coffee is descriptive of coffee goods. It also contends that the Opposer's mark is not well-known, and that it did not violate the parties agreement of 29 April 2005. Moreover, it cites several decisions promulgated by this Bureau and by the Director General in cases which involves the same parties and variations of the mark subject of this opposition. The decisions were in favor of the Respondent-Applicant.

The Respondent-Applicant's evidence consists of the following:

1. Exhibit "1" – affidavit of Atty. Majalla Baun;
2. Exhibit "2" – the printout of Respondent-Applicant's website detailing its history;
3. Exhibit "3" – flyer bearing the San Mig Coffee Label mark;
4. Exhibit "3-A" – product guide bearing the San Mig Coffee Label;
5. Exhibit "3-B" – box/packaging bearing the San Mig Coffee Label;
6. Exhibit "3-C" – sachet bearing the San Mig Coffee Label;
7. Exhibit "4" – Panay News, 16 June 2008, page 5;

8. Exhibit "4-A" – Philippine Daily Inquirer, A plus Metro, 09 June 2008 page 23;
9. Exhibit "4-B" – Manila Bulletin, 08 June 2008, P. Metro 6;
10. Exhibit "5" – Philippine daily Inquirer, 24 June 2005;
11. Exhibit "5-A" – Philippine Star, 02 April 2006;
12. Exhibit "5-B" – Good House Keeping Magazine, August 2005;
13. Exhibit "5-C" – Good House Keeping Magazine, August 2005;
14. Exhibit "5-D" – Cosmopolitan, May 2006;
15. Exhibit "5-E" – Ideal Man TV commercial;
16. Exhibit "5-F" – dreaming TV commercial;
17. Exhibit "6" – Decision No. 2007-195, dated 21 December 2007 of the Bureau of Legal Affairs (BLA) in Inter Partes Case No. 14-2007-00023;
18. Exhibit "7" – Decision issued by the Director General on 14 August 2012, in Appeal No. 14-09-02 (Inter Partes Case No. 14-2007-00023);
19. Exhibit "8" – Decision No. 2007-194, dated 21 December 2007 of the Bureau of Legal Affairs (BLA) in Inter Partes Case No. 14-2007-00022;
20. Exhibit "9" – Decision issued by the Director General dated 14 August 2012, in Appeal No. 14-09-03 (Inter Partes Case No. 14-2007-00022);
21. Exhibit "10" – Decision No. 2007-151, dated 23 October 2007 of the Bureau of Legal Affairs (BLA) in Inter Partes Case No. 14-2007-00020;
22. Exhibit "11" – Decision issued by the Director General dated 13 August 2012, in Appeal No. 14-2011-0003 (Inter Partes Case No. 14-2007-00020);
23. Exhibit "12" – Decision No. 2007-165, dated 11 November 2007 of the Bureau of Legal Affairs (BLA) in Inter Partes Case No. 14-2007-00021;
24. Exhibit "13" – print out from IPOPHIL data/ or website;
25. Exhibit "14" – statement of account;
26. Exhibit "15" – copy of financial statements 31 December 2010 and 2009;
27. Exhibit "15-A" – cost of sales;
28. Exhibit "16" – copy of financial statements 31 December Dec 2006 and 2005;
29. Exhibit "17" – copy of financial statements 31 December 2008 and 2007;
30. Exhibit "17-A" – cost sales copy; and
31. Exhibit "18" – copy of financial statements 31 December 2011 and 2010.

This Bureau noticed that the facts and legal issues pertinent to the instant case are similar to those already passed upon in Inter Partes Case Nos. 14-2007-00020, 14-2007-00021, 14-2007-00022 and 14-2007-00023. The mark subject of the Respondent-Applicant's Trademark Application Serial No. 4-2011-007534 is just another variation of the marks involved in the cited cases. Finding the contending marks not confusingly similar, this Bureau dismissed the opposition cases. This Bureau's decisions were appealed to the Director General. The Director General, however, dismissed the appeals concurring with this Bureau's findings and conclusions. As held by the Director General in Appeal No. 14-09-02 (Inter Partes Case No. 14-2007-00023) to wit:

> "This Office agrees with the Director that the competing marks are not confusingly similar. The terms 'San Mig' and the 'double leaf' device above the letter 'I' draw the attention of the Appellee's mark which can be readily recognized by any person seeing this mark. The Appellee's mark also has the word 'Original' and a picture of a cup/mug of coffee. These features of the Appellee's mark characterize the distinctiveness of this mark and differentiate it from those of the Appellant's marks.

Moreover, a review of the Appellee's application reveals that the other features of the Appellee's mark like the words 'coffee' and 'original' and the picture of a mug filled with coffee were disclaimed.

"On the other hand, the prevalent feature in the MUG DEVICE of the Appellant is the picture of the red mug itself which is not found in the Appellee's mark. Similarly, in the mark NESCAFE with MUG DEVICE ON JAR, the word 'NESCAFE' easily distinguishes the Appellant's mark from that of the Appellee's.

"Thus, it is unlikely that consumers would be deceived or be confused that the mark of the Appellee belongs to the Appellant, or vice-versa. As correctly observed by the Director.

"The words 'SAN MIG' and 'NESCAFE' are printed prominently on both labels of the contending marks which easily attract and catch the eyes of an ordinary consumers and these words and none other stick in his mind when he thinks of coffee, thus, ruling out the likelihood of confusion or similarity in the mind of the purchasing public. Moreover, the Opposer has not established such a substantial similarity between the two trademarks in question as to warrant the opposition of the trademark of the Respondent-Applicant. Even the mug designs accompanying both marks are different in presentation. The 'mug' device contained in the Respondent-Applicant's mark is white in color, filled with coffee but only half of the mug is shown with the word 'ORIGINAL' written on the mug, while the mug device contained in the Opposer's mark is the whole cup with handle, likewise filled with coffee but the color of the mug is red.

"With respect to the Appellant's claim that its marks well-known, this is now immaterial to this case. The protection accorded to well-known marks applies only if there is a finding of confusing similarity between competing marks. Moreover, there is merit to the point raised by the appellee that:

> 'Based on the exhibits of Opposer-Appellant's, the "MUG DEVICE" element is always combined with the word "NESCAFE" and/or surrounded by coffee beans. Hence, contrary to Opposer-Appellant's contention, the "MUG DEVICE" mark alone, cannot be claimed to be exclusively owned by Opposer-Appellant since it is sufficient, as an isolated element, to identify Opposer-Appellant's goods.
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> 'The alleged study conducted by AC Nielsen Homepanel, as well as the alleged ranking of Opposer-Appellant in the business Week also shown that it is the brand "NESCAFE" that is [the] dominant part of its labels and is the most remembered by the consumers, as opposed to "MUG DEVICE" per se.'

"Regarding the alleged violation by the Appellee of its agreement with the Appellant not to adopt, either through filing or registration, identical and/or similar works to MUG DEVICE, this is irrelevant to the determination of whether SAN MIG COFFEE & DESIGN can be registered in favor of the Appellee. Nevertheless, the provision of the agreement cited by the appellant refers to the commitment of the Appellee not to file or register a mark identical or confusingly similar with the Appellant's mark. With determination of the lack of confusingly similarity between the appellant's and the Appllee's marks, the Appellant's position has no leg to stand on."

Accordingly, this Bureau finds no factual or legal basis to rule otherwise in this case.

WHEREFORE, premises considered the instant opposition is hereby **DISMISSED.** Let the filewrapper of Trademark Application Serial No. 4-2011-007530 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 10 March 2014.

Atty. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs