



SOCIETE DES PRODUITS  
NESTLE S.A.,

Opposer,

-versus-

APCEI LOGISTICS, INC.,  
Respondent-Applicant.

X-----X

IPC No. 14-2008-00172

Opposition to:

Appln. Serial No. 4-2006-009811

Date Filed: 05 September 2006

Trademark: "NEWSCAFE"

### NOTICE OF DECISION

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#### GREETINGS:

Please be informed that Decision No. 2012 – 162 dated August 30, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, August 30, 2012.

For the Director:

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



<b>SOCIETE DES PRODUITS NESTLE S. A.,</b>	}	<b>IPC No. 14-2008-00172</b>
Opposer,	}	Opposition to:
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- versus -	}	Appln. Serial No. 4-2006-009811
	}	Date Filed: 05 September 2006
	}	
<b>APCEI LOGISTICS, INC.,</b>	}	Trademark: <b>NEWSCAFE</b>
Respondent-Applicant.	}	
x-----x	}	Decision No. 2012 - <u>162</u>

### DECISION

SOCIETE DES PRODUITS NESTLE S. A.<sup>1</sup> (“Opposer”) filed on 04 August 2008 a Verified Notice of Opposition to Trademark Application No. 4-2006-009811. The application, filed by APCEI LOGISTICS, INC.<sup>2</sup> (“Respondent-Applicant”), covers the mark NEWSCAFE for use on “*retail sales of food and beverages; publications; and coffee shop*” under Classes 35, 41 and 43, respectively, of the International Classification of goods<sup>3</sup>.

The Opposer alleges the following:

“1. The Opposer is the first to adopt, use and register the trademark NESCAFE in the Philippines, for several goods/services, among which are coffee and coffee-based beverages/café, snack bar and canteen services and therefore enjoys under Section 147 of Republic Act No. 8293 the right to exclude others from registering or using an identical or confusingly similar mark such as Respondent-Applicant's trademark NEWSCAFE for similar and related goods/services such as retail sales of food and beverages, and coffee shop;

“2. The NEWSCAFE mark nearly resembles the NESCAFE mark of Opposer, in sound, spelling, and appearance as to be likely to deceive or cause confusion as contemplated under Section 123 (d), R. A. No. 8293;

“3. The Opposer's NESCAFE mark, used among others, for coffee and coffee-based beverages/café, snack bar and canteen services is well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, as being a trademark owned by Opposer, hence, Respondent-Applicant's NEWSCAFE trademark cannot be registered in the Philippines, especially for similar and related goods/services pursuant to the express provision of Section 123 (e) of R. A. No. 8293; and

“4. The Respondent-Applicant, in adopting NEWSCAFE for retail

<sup>1</sup> A corporation duly formed under the laws of Switzerland, with business address at Vevey, Switzerland.

<sup>2</sup> With address on record at 3456 Florida St., Palanan, Makati City.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral 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.

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sales of food and beverages, and coffee shop 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/services by the Opposer, for which it is liable for false designation of origin; false description or representation under Section 169 of R. A. No. 8293.”

In support thereof, the Opposer submitted the following evidence:

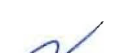
1. Certified true copies of Opposer's Certificates of Registration in the Philippines for the mark NESCAFE and other marks containing NESCAFE;
2. Copies of Affidavits and Declarations of Actual Use;
3. Printouts from the IPOPHL trademark database pertaining to the Opposer's registrations;
4. Protection list showing worldwide registrations and applications of the Opposer's marks and copies of said registrations;
5. Product specifications;
6. Printout of the details of Respondent-Applicant's application for the mark NEWSCAFE;
7. Photographs of actual labels of Opposer's NESCAFE products sold in the Philippines, available in various establishments such as the Landmark;
8. Copies of scanned labels, packaging materials, advertisements and other promotional materials, including photographs of billboards, obtained from a number of countries worldwide;
9. Printouts of scanned old advertising materials dating back to the years 1938 and 1968, among others;
10. Advertisements in newspapers, magazines and other publications, media campaigns, TV advertising campaigns in the Philippines and around the world;
11. Copies of invoices and other materials showing actual sales in the Philippines and other countries and share in the market of Opposer's NESCAFE products;
12. Copies of international survey results and court decisions; and
13. Affidavits of Sherilla Marie Daquis Bayona, Giselle Fatima Tiong Dee and Gregorio T. Tongko, Jr.<sup>4</sup>

The Respondent-Applicant filed its Verified Answer on 17 November 2008 contending, among other things, that the grounds relied by the Opposer are without basis. According to the Respondent-Applicant, the striking differences between the two labels in their size, background, colors, contents and pictorial arrangement negate the possibility of confusing similarity between the competing marks. Also, the goods covered in the Respondent-Applicant's application are entirely of a different class and does not resemble the cited goods in the Opposer's registrations.

The preliminary conference was terminated on 14 January 2010. The Opposer filed its position paper on 18 February 2010 while the Respondent-Applicant did not file its position paper.

Should the Respondent-Applicant's trademark application be allowed?

<sup>4</sup> Exhibits "A" to "UUU" inclusive of submarkings.



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>5</sup> Thus, Sec. 123.1 (d) of R. A. 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 show that at the time the Respondent-Applicant filed its trademark application on 05 September 2006, the Opposer has long before registered the mark NESCAFE (28 February 1974)<sup>6</sup> in the Philippines for use on "*coffee, coffee essences and coffee extracts*" under Class 47. The Opposer was also issued a Certificate of Registration for NESCAFE on 28 August 2004<sup>7</sup> covering goods falling under Classes 29, 30, 32, 35 and 42, namely, "*vegetables, fruit, meat, poultry, game, fish and seafood, all these products also in the form of extracts, soups, jellies, pastes, preserves, ready-made dishes, frozen or dehydrated; jams; eggs; milk, cheese and other food preparations having a base of milk, milk substitutes; soya milk and soya-based preparations; edible oils and fats; protein preparations for food. Coffee, coffee extracts and coffee-based preparations; coffee substitutes and extracts of coffee substitutes; tea, tea extracts and tea-based preparations; cocoa and preparations having a base of cocoa, chocolate, chocolate products, confectionery, sweets; sugar; sweeteners; bakery products, bread, yeast, pastry; biscuits, cakes, desserts, puddings; ice cream, products for the preparation of ice cream; honey and honey substitutes; breakfast cereals, rice, pasta, foodstuffs having a base of rice, of flour or of cereals, also in the form of ready-made dishes; sauces; aromatizing or seasoning products for food, salad dressings, mayonnaise. Beers; mineral waters and other non-alcoholic drinks, syrups, extracts and essences for making non-alcoholic beverages, fruit juices. Business management and organization consulting services; business managing assistance and advisory services; business records keeping; advertising services; agency services for the importation of foodstuffs and of food utensils, sponsorship of activities, in particular sporties and cultural, in advertising, all included in class 35. Restaurant, hotel, cafe, snack-bar and canteen services; catering services; provision of accommodation; analysis and quality control of foodstuff; consultancy services relating to food and drink."* The goods indicated in the Respondent-Applicant's trademark application are, therefore, similar and/or closely related to those covered by the Opposer's trademark registration.

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<sup>5</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999.

<sup>6</sup> Exhibits "A" to "A-6".

<sup>7</sup> Exhibit "B".

The question is: Are the competing marks identical or closely resembling each other such that confusion or mistake is likely to occur?

The logo for NESCAFÉ, featuring the word "NESCAFÉ" in a bold, black, sans-serif font. The letter "É" has a small accent mark above it.

Opposer's mark

The logo for NEWSCAFE, featuring the word "NEWSCAFE" in a bold, black, sans-serif font.

Respondent-Applicant's mark

The contending marks both consist of three (3) syllables. In this regard, the Respondent-Applicant appropriated the seven (7) letters comprising the Opposer's mark NESCAFÉ but added the letter "W" in an attempt to distinguish it from that of the Opposer's. However, the slight difference in the spellings is inconsequential to the effect on the eyes, ears and memory. Thus, because the Respondent-Applicant will use or uses the mark NEWSCAFE on goods that are similar and/or closely related to those covered by the Opposer's registered trademarks, the change in the spelling or the addition of the letter "W" did not diminish the likelihood of the occurrence of mistake, confusion, or even deception. There is the likelihood that NEWSCAFE is just a variation of the Opposer's products or is under the sponsorship of the latter.

Aptly, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other<sup>8</sup>. The conclusion created by the use of the same word as the primary element in a trademark is not counteracted by the addition of another term<sup>9</sup>. The likelihood of confusion would subsists not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court<sup>10</sup>:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.

The field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the unanswered riddle is, why of the millions of terms and combination of letters available, the Respondent-

<sup>8</sup> See *Societe Des Produits Nestle S. A. v. Court of Appeals*, G. R. No. 112012, 4 April 2001.

<sup>9</sup> *Ref. Continental Connector Corp. v. Continental Specialties Corp.*, 207 USPQ 60.

<sup>10</sup> See *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark<sup>11</sup>.

Anent the Opposer's claim of well-known mark, the same is bereft of merit. The examination of the pieces of evidence submitted by the Opposer in support of its claim shows that most of such evidence are mere machine copies which cannot be given evidentiary weight by this Bureau so as to declare the Opposer's NESCAFE mark as a well-known mark.

**WHEREFORE**, premises considered, the Verified Notice of Opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2006-009811 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 30 August 2012.



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

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<sup>11</sup> See *American Wire and Cable Co. v. Director of Patents, et. al.*, G. R. No. L-26557, 18 February 1970.