



**HERSHEY CHOCOLATE AND
CONFECTIONERY CORPORATION,**
Petitioner,

-versus-

EDWARD CANTOR,
Respondent-Registrant.

X-----X

} **IPC No. 14-2010-00085**
}
} Petition for Cancellation:
} Registration No. 4-2008-006019
} Date Registered: 01 Sept. 2008
} **TM: "HERSHEY"**

NOTICE OF DECISION

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EDWARD CANTOR
Respondent-Registrant
No.162 Ipil Street
Marikina Heights, Marikina City

GREETINGS:

Please be informed that Decision No. 2014 - 218 dated September 03, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 03, 2014.

For the Director:

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



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Trademark: **"HERSHEY"**

Decision No. 2014 - 218

DECISION

HERSHEY CHOCOLATE AND CONFECTIONERY CORPORATION (Petitioner"¹), filed on 20 April 2010 a petition for cancellation of Trademark Registration No. 4-2008-006019. The registration, issued to EDWARD CANTOR ("Respondent-Registrant"²), covers the mark "HERSHEY" for use on goods under class 25³ for clothing namely: shirts, pants, jeans, polos, jackets and shorts; footwear namely: shoes, slippers, sandals; headwear namely: hats, caps.⁴

The facts are provided as follows:

"Petitioner relies on the following grounds to support its Petition:

"4.1. Respondent-Registrant appropriated and registered Petitioner's HESHEY MARKS in gross and patent bad faith.

"4.2. Petitioner's HERSHEY MARKS are internationally well-known marks entitled to protection under Sections 123.1 (e) and (f) of the IP Code and international treaties.

"4.3. Respondent-Registrant's 'HERSHEY' mark is identical to Petitioner's well-known HERSHEY MARKS, and, thus, is unregistrable under the IP Code and international treaties.

"4.4. Respondent-Registrant's use of the 'HERSHEY' mark falsely suggests a connection between it and Petitioner, thereby causing damage to Petitioner and the public.

x x x

"5.2. Petitioner was founded in 1894 in Pennsylvania, U.S.A. by Milton S. Hershey as the Hershey Chocolate Company, a subsidiary of his Lancaster Caramel Candy. It started out by producing sweet chocolate as a coating for caramels.

"5.3. In 1900, the company began producing milk chocolate in bars, wafers and other shapes. The immediate success of Petitioner's low-cost, high quality milk chocolate soon led to the increase of its production facilities. In 1903 he began construction of a chocolate plant in his

¹ A company organized and existing under the laws of the State of Delaware, United States of America with office address at 100 Crystal A Drive, Hershey, Pennsylvania, 17033, USA.

² With address at No. 162 Ipil Street, Marikina Heights, Marikina City.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

⁴ Trademark Registration Certificate No. 4-2008-006019 was issued on 01 September 2008.

hometown of Derry Church, Pennsylvania. By 1905, a new chocolate factory was built in the Derry Township of Pennsylvania.

"5.4. In 1907, Milton Hershey introduced a new candy, small flat-bottomed conical-shaped pieces of chocolate wrapped by hand in small foil squares that he named 'Hershey's Kisses'. The product was trademarked in 1924 and went on to become one of the most successful and well-known products ever produced by the company. In 2007, in a rare embrace of a commercial product on a first-class stamp, the U.S. Postal Service marked the one-hundredth anniversary of Hershey's by placing an image of one of its 'Hershey's Kisses' on its Love Stamp.

"5.5. Throughout the next two decades, Petitioner offered even more products. These include MR. GOODBAR (1925), HERSHEY'S Syrup (1926), chocolate chips (1928) and the KRACKEL bar (1938).

"5.6. With the outbreak of World War II, Petitioner was producing survival ration bars for military use. By the end of the war, more than a billion of these Ration D bars had been produced and the company had earned no less than five United States Army-Navy "E" Production Awards for its exceptional contributions to the war effort. Those who had lived through the war can still recall how thousands of these chocolate bars were given away by G.I. servicemen to Filipino children.

"5.7. The post-war period saw the introduction of a host of new products and the acquisition of an old one. Since 1928, H.B. 'Harry' Reese's candy company, also located in Hershey, Pennsylvania had been making chocolate-covered peanut butter cups. In 1963, seven years after Reese's death in 1956, the H.B. Reese Candy Company was sold to Petitioner.

"5.8. During the latter half of the 20th century, Petitioner continued to grow by expanding its confectionery product lines, acquiring related companies and even diversifying into other food products. Among the many acquisitions were: San Giorgio Macaroni and Delmonico Foods (1966); manufacturing and marketing rights to English candy company Rowntree MacKintosh's products (1970); Y&S Candies, makers of TWIZZLERS® licorice (1977); Dietrich corp.'s confectionery operations (1986); Peter Paul/Cadbury's U.S. confectionery operations (1988); and Ronzoni Foods (1990).

"5.9. Petitioner has been using the name 'HERSHEY' in its business and products since its inception. In fact, Milton Hershey's hometown of Derry Church, Pennsylvania was renamed 'Hershey, Pennsylvania' in 1906 because of the success and popularity of Milton Hershey's chocolate company and of Hershey chocolates. Clearly, the name 'HERSHEY', derived from the surname of Petitioner's founder, is a most vital element of Petitioner's chocolate business.

"5.10. In contrast, Respondent-Registrants' use of the same mark is completely unfounded and baseless, Respondent-Registrant is a Filipino citizen with an address in the Philippines. The Respondent-Registrant is in no way connected with Petitioner, Petitioner's Hershey chocolates or the town of Hershey, Pennsylvania as the mark suggests.

"5.11. As aforesaid, bad faith in a trademark application means that the applicant, such as was the Respondent-Registrant in his trademark application, had knowledge of the prior creation, use and/or registration by another of an identical or similar trademark. In the present case, at the time Respondent-Registrant filed his trademark application in 2008, Petitioner's founder, Milton S. Hershey, has been using his surname 'HERSHEY' for 151 years since his birth in 1857.

"5.12. Petitioner's HERSHEY MARKS are well-known worldwide due to the aggressive distribution, promotional and advertising activities of its chocolate, milk chocolate and candy products bearing the said marks. In the face of such worldwide recognition, it is not difficult to conclude that Respondent-Registrant has been continuously exposed and is keenly aware of

Petitioner's HERSHEY MARKS when he decided in gross and patent bad faith to file an application for his 'HERSHEY' mark in 2008.

"5.13. There are infinite number of names, letter combinations, phrases and devices available to one who desires to adopt and use a trademark sufficient in itself to distinguish his products from those of others that there can be no reasonable explanation for Respondent-Registrant's choice of the mark 'HERSHEY' though the field of his selection was so broad.

"5.14. What is worse, it appears that Respondent-Registrant has also registered and attempted to register other well-known marks. x x x

x x x

"5.22. As previously recounted, Petitioner has been in existence for more than 100 years and is the largest producer of quality chocolate in North America and a global leader in chocolate and sugar confectionery. Petitioner has operation throughout the world and more than 13,000 employees. With revenues of more than \$5 billion, Petitioner offers such iconic brands as Hershey's, Reese's, Hershey's Kisses, Kit Kat, Twizzlers, Ice Breaker and Hershey's Bliss chocolates. Petitioner is a leader in the fast-growing dark and premium chocolate segment, with such brands as Hershey's Special Dark and Hershey's Extra Dark. In addition, Artisan Confections Company, a wholly owned subsidiary of Petitioner, markets such premium chocolate offerings as Scharffen Berger and Dagoba.

"5.23. Petitioner has been extensively promoting its products globally through various marketing and advertising campaigns, utilizing all forms of media communications. x x x

"5.24. Through the international distribution of its products, Petitioner's trademarks have become distinctive and globally recognized by the public. In fact, in a report released by Harris Interactive, a market research firm in the U.S., Petitioner received the highest overall 'Brand Equity' and 'Overall relevance' among 1,120 brands measured.

"5.25. In order to protect the distinctiveness of its trademarks, Petitioner, as a matter of policy, registers its trademarks around the world. Currently, Petitioner has no less than a total of eight hundred and seventy-four (874) active trademark applications and registrations in approximately ninety (90) countries throughout the world that incorporate the words HERSHEY or HERSHEY'S. x x x

x x x

"5.27. In the Philippines, Petitioner has been distributing its products through non-exclusive and exclusive distributors since at least as early as 1980. But even prior to that time, Filipinos were already enjoying Petitioner's products introduced to them during the American regime in the early 1900. In 1977, the Philippine representative office was established and, in 1999, became a subsidiary of Hershey International, Ltd.

"5.28. By reason of Petitioner's worldwide, open and continuous use of the HERSHEY MARKS, its numerous worldwide trademark registrations and application for the said marks, and extensive promotional/advertising campaigns, the public has come to recognize the goods bearing these marks as being associated with, and originating from, Petitioner. Petitioner's HERSHEY MARKS have become locally and internationally well-known and world-famous in the relevant sector of the public and, consequently, have acquired a meaning exclusively identified with Petitioner and its business.

x x x

“5.32. As the lawful owner of the HERSHEY MARKS in the Philippines, Petitioner applied for, and successfully obtained, trademark registrations from this Honorable Office: x x x

“5.33. Aside from these trademark registrations, Petitioner also has several other trademarks registered and/or pending application with this Honorable Office. x x x

“5.44. While Petitioner’s business is predominately candy and confectionery products and Respondent-Registrant’s registration covers clothing, in today’s global economy, businesses are no longer limited to their primary product. Globalization, or expansion of the business and products into different lines and brands is the trend in today’s fast-developing economy. The Court has recognized that the registered trademark owner enjoys protection in the product and market areas that are the normal potential expansion of his business.

“5.45. The business of selling candy and confectionery products is a multifaceted industry that utilizes various marketing and promotional strategies. These marketing and promotional ploys frequently extend to the selling and/or distribution of clothing products. Since the utilization of clothing and apparel is one of the more successful and useful marketing and promotional tools, it was inevitable that Petitioner would eventually expand its business to the manufacture and sale of clothing and apparel.

“5.46. From just mere advertising and promotional paraphernalia, Petitioner now regularly sells and distributes clothing items bearing the HERSHEY MARKS through the Internet and brick and mortar retail outlets worldwide. Photographs of clothing items bearing the HERSHEY MARKS through the Internet and brick and mortar retail outlets worldwide. x x x

“5.49. In the Philippines, Petitioner distributes and sells shirts, caps and other similar clothing items that bear the HERSHEY MARKS as premium items for promotion, both in the domestic market and duty free markets. x x x

“5.50. These pictures and other pieces of evidence collectively show that the trading of clothing is a natural marketing channel into which manufacturers of candy and confectionery frequently venture. Indubitably, Respondent-Registrant’s mark and Petitioner’s mark cover closely related goods and services and flow through the same channels of trade.

“5.51. Although Petitioner initially sold and/or distributed clothing products merely as a marketing and promotional strategy, these have now become profitable merchandise for Petitioner. Petitioner has, in fact, filed an application for the registration of its ‘HERSHEY’S’ trademark covering clothing goods under Class 25.

“5.52. As its use of clothing and apparel bearing the HERSHEY MARKS has created a connection to Petitioner and its products and goods under Class 30, it is only logical to conclude that the continued registration of Respondent-Registrant’s ‘HERSHEY’, mark, which is confusingly similar to Petitioner’s HERSHY MARKS, would in turn indicate a connection between such products and the goods covered by the internationally well-known HERSHEY MARKS, resulting in confusion in the minds of the consumers as to the origin, quality or character of the goods. Moreover, confusion as to the business connection or relationship between Petitioner and Respondent-Registrant is also likely, to the detriment of Opposer’s bona fide distributors and business partners.

“5.53. Moreover, when dealing with virtually identical marks, the issue of relatedness of goods or services becomes less significant in determining likelihood of confusion. x x x

“5.57. Respondent-Registrant’s use and registration of the ‘HERSHEY’ will falsely represent the true ownership of Respondent-Registrant’s mark and suggest a mistaken connection between him and Petitioner, thereby deceiving the consuming public as to the affiliation, connection or

association of either or both parties, or as to the origin, sponsorship or approval of the goods bearing the 'HERSHEY' mark.

"5.58. The consumer's right to be told the truth not only extends to the facts about the nature and quality of the product, but also extends to the true facts about the source and sponsorship of the products purchased. These facts are usually conveyed by way of a trademark on the product.

The Opposer's evidence marked as Exhibits "A" to "R" inclusive of submarkings are as follows:

1. Postal News issued by the United States Postal Service;
2. Trademark search results applied by Respondent;
3. Philippine Daily Inquirer article entitled "How Cesar Gaupo got robbed of his name";
4. Verified Notice of Opposition;
5. Certificate of Renewal of Registration for HERSHEY'S (Reg. No. R-1664);
6. Certificate of Correction for HERSHEY'S (Reg. No. 64850);
7. Certificate of Registration for HERSHEY'S BIGKISS (Reg. No. 4-2002-000916);
8. Principal Register for HERSHEY'S HUGS WITH THE FIGURE OF A CHOCOLATE BETWEEN THE LETTERS U & G (Reg. No. 66148);
9. Certificate of Registration for HERSHEY'S NUGGETS (Reg. No. 4-1998-005612);
10. Article on HERSHEY'S CHOCOLATE WORLD ATTRACTION;
11. Photographs of shirts, bags, caps, key chains, vanity case, candies, chocolates and candies, chips and cookies, formula drinks and milk drinks, other food items with HERSHEY'S trademark;
12. Nestle Clothing on line sales;
13. Various promotional and advertisement articles of HERSHEY'S;
14. Trademark records of HERSHEY'S in foreign countries;
15. United States Patent and Trademark Office Registration for EVERYTHING HERSHEY'S, HERSHEY BEARS, HERSHEY'S;
16. Commonwealth of Australia Trademark Registration for HERSHEY'S;
17. Federative Republic of Brazil Trademark Registration for HERSHEY'S;
18. Canadian Intellectual Property Office Registration for HERSHEY CENTRE & HERSHEY'S;
19. China Chamber of International Commerce Registration for HERSHY'S;
20. Arab Republic of Egypt Registration for HERSHEY'S;
21. Japan Patent Office Registration for HERSHEY'S, HERSHEY'S KISSES;
22. Intellectual Property Office of new Zealand Registration for HERSHEY'S & HERSHEY'S SPECIAL DARK;
23. The Kingdom of Saudi Arabia Registration for HERSHEY'S;
24. Republic of South Africa Registration for HERSHEY'S;
25. Affidavit of Jeraldo F. Santiago;
26. Socialist Republic of Vietnam Registration for HERSHEY'S;
27. Intellectual Property Office of the Philippines Certificate of Registration for HERSHEY'S SNACKSTERS;
28. List of Trademarks of Petitioner; and,
29. Downloaded webpage of The Hershey's Store.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 13 May 2010. Respondent-Applicant however, did not file an answer. Thus, this instant case is submitted for decision.

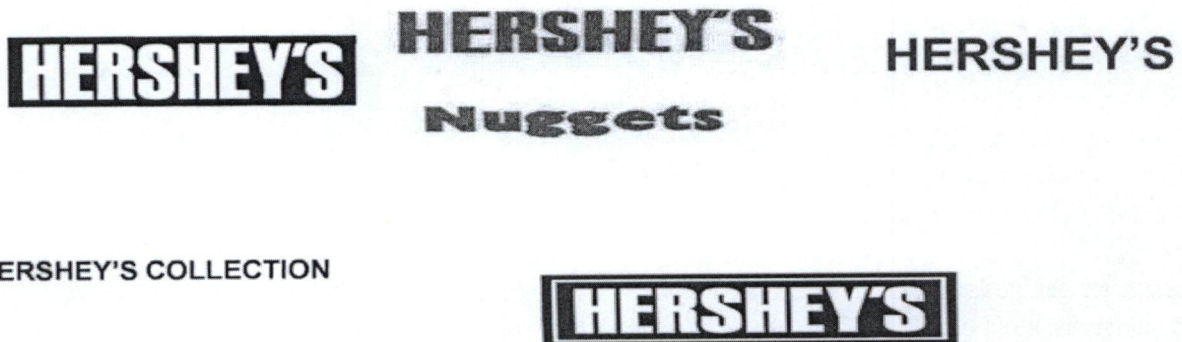
Should the Respondent-Applicant be allowed to register the trademark HERSHEY'S.

It is emphasized that the essence of trademark registration is to give protection to the owners of the 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 or 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.⁵

Records show that Respondent-Registrant has trademark registration for its mark HERSHEY which was registered on 01 September 2008. However, the Petitioner has worldwide registrations of its mark HERSHEY and its variants initially in the year 1969 and in the succeeding years.⁶ These consists of registration from the countries of United States of America, Australia, Brazil, Canada, China, Cuba, Egypt, France, Japan, New Zealand, Saudi Arabia, South Africa, Thailand, Brazil, Vietnam and OHIM.⁷

In the Philippines, Petitioner is the holder of six (6) certificates of registration for its mark HERSHEY and its variants with registration date as early as the year 1976.⁸ It has likewise pending trademark applications for other variants of its mark.⁹

The competing marks are reproduced below for comparison and scrutiny:



Petitioner's Trademarks

⁵ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No., 115508, 19 Nov. 1999.

⁶ Exhibits "D-27", "D-28" to "D-51" and "E" to J" of Petitioner.

⁷ Id.

⁸ Exhibits "D-53" to "D-57" and "K" of Petitioner.

⁹ Exhibit "L" of Petitioner.

HERSHEY

Respondent-Registrants Trademark

The contending marks are identical. The slight difference in the design and additional word, are insignificant. The Respondent-Applicant's trademark application covers goods under class 25. However, the Petitioner has shown that its candy and confectionery products business utilizes marketing and promotional strategies that include selling and/or distribution of clothing products, which has become part of their regular business transaction through the Internet and brick and mortar retail outlets worldwide.¹⁰ There is therefore the likelihood of the consumers having the impression that the parties and their respective goods are connected to each other. Sec. 123 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 123. Registrability. – 123.1. A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) **If it nearly resembles such a mark as to be likely to deceive or cause confusion;** (Emphasis Supplied.)

The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court¹¹, to wit:

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. Hence, 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.

Corollarily, Sec. 123.1 (e) and (f) of the IP Code provides:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

¹⁰ Exhibits "D-58" to "D-60", and "M" of Petitioner.

¹¹ Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, 08 January 1987.

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for; Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided, further, That the interests of the owner of the registered mark are likely to be damaged by such use;

In this regard, the Petitioner has shown sufficient evidence that it's HERSHEY marks are well-known internationally and in the Philippines. It has submitted evidence of its company history, development and continuous success, trademark registrations and sales worldwide and extensive promotions in various channels. In this regard, the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers provide:

Rule 102. Criteria for determining whether a Mark is Well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) degree of the inherent or acquired distinction of the mark;
- (d) quality-image or reputation acquired by the mark;
- (e) extent to which the mark has been registered in the world;
- (f) exclusivity of registration attained by the mark in the world;
- (g) extent to which the mark has been used in the world;
- (h) exclusivity of use attained by the mark in the world;
- (i) commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

Obviously, the Petitioner has sufficiently established the presence of concurrence of the criteria or at least a combination thereof for the mark HERSHEY to be considered as a well-known mark under the aforesaid rule.

The field from which a person may select a trademark is practically unlimited. As in all cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-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.¹²

It is stressed that the Law on Trademarks and Tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing other business by fraud, deceit, trickery or unfair methods

¹² American Wire and Cable Co. v. Director of Patents et. al. (SCRA 544), G.R. No. L-26557, 18 Feb. 1970.

of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another.

WHEREFORE, premises considered the instant petition is hereby **GRANTED**. Let the filewrapper of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Taguig City, 03 September 2014.


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