



SOCIETE DES PRODUITS NESTLE S.A.,
Opposer,

-versus-

UNIVERSAL ROBINA CORPORATION,
Respondent-Applicant.

} **IPC No. 14-2010-00239**
} Opposition to:
} Application No.4-2009-0044661
} Date filed: 12 May 2009
} **TM: "GREAT TASTE DECAF**
} **& DEVICE"**
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}
}

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 96 dated May 4, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 4, 2015.

For the Director:


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



SOCIETE DES PRODUITS NESTLE S.A., }IPC NO. 14-2010-00239

Opposer,

}

}Opposition to:

} Appln. Ser. No. 4-2009-004661

-versus-

} Date Filed: 12 May 2009

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}

UNIVERSAL ROBINA CORPORATION,

} Trademark: "GREAT TASTE

Respondent-Applicant.

} **DECAF & DEVICE"**

x-----x} Decision No. 2015- 96

DECISION

SOCIETE DES PRODUITS NESTLE S.A., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2009-004661. The application, filed by UNIVERSAL ROBINA CORPORATION (Respondent-Applicant)², covers the mark "GREAT TASTE DECAF & DEVICE", for use on "coffee, instant coffee" under Class 30 of the International Classification of Goods³.

The Opposer anchors its opposition on the following grounds:

"1. The Opposer is the first to adopt, use, file and register the trademark DECAF in the Philippines, for coffee, coffee extracts, decaffeinated coffee and extracts of decaffeinated coffee, and therefore enjoys under Section 147 of the Republic Act (R.A.) No. 8293 the right to exclude others from registering or using an identical or confusingly similar mark as Respondent-Applicant's mark trademark GREAT TASTE DECAF & DEVICE for identical goods.

"2. The GREAT TASTE DECAF & DEVICE nearly resembles the DECAF mark of Opposer, as to be likely to deceive or cause confusion as contemplated under Section 123 (d), R.A. 8293.

"3. The Opposer's DECAF mark used for coffee and coffee extracts 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 GREAT TASTE DECAF & DEVICE trademark cannot be registered in the Philippines, especially for identical goods pursuant to the express provision of Section 123 (e) of R.A. 8293.

¹ A corporation organized under the laws of Switzerland with address at Vevey, Switzerland

² A corporation incorporated under Philippine law with address at 110 E. Rodriguez Jr. Ave., Libis, Quezon City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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. The Opposer, being the first to adopt, use and register the trademark DECAF in the Philippines, has a right to enjoy the distinctiveness thereof and protect it from any improper use or dilution that will be caused by the subsequent registration and concurrent use thereof by Respondent-Applicant in its mark GREAT TASTE DECAF & DEVICE.

The Opposer also alleges, among others, that it is the first to adopt, use and register the trademark DECAF in the Philippines and is likewise registered in the following countries, namely: Argentina, Australia, Bolivia, Brunei Darussalam, Cayman Islands, Chile, Colombia, Cuba, Ecuador, Guatemala, Honduras, Indonesia, Japan, Malaysia, Mexico, Netherlands, Antilles, Nicaragua, Paraguay, Peru, Puerto Rico, Singapore, Thailand, Trinidad and Tobago, United Kingdom, Uruguay and Venezuela. The Opposer alleges that the GREAT TASTE DECAF & DEVICE nearly resembles its DECAF trademark which is distinct and well-known internationally and in the Philippines.

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

1. Copy of Certificate of Renewal of Registration No. 044586 dated 19 May 1989 for the mark "DECAF" for goods under class 30 namely: "coffee, coffee extracts, decaffeinated coffee, extracts of decaffeinated coffee, all these products with or without addition of chicory or carbohydrates" ;
2. Copies of Affidavits of Use of the mark "DECAF" dated 18 January 1985 and 25 July 1999; Declaration of Actual Use dated 6 May 2005;
3. Copy of Registration No. 44586 dated 19 May 1989; and
4. Affidavit of Odessa L. Lanas dated 12 July 2010.⁴

The Respondent-Applicant filed its Answer on 26 April 2012, alleging among other things, the following:

"14. The facts reveal, as borne out by the records of this Honorable Office, that on 4 March 1977, CFC Corporation, a corporation duly organized and existing under and by virtue of Philippine laws, with business address at the CFC Building, Bagong Ilog, Pasig City, and an affiliate of Respondent-Applicant URC, filed before the then Philippine Patent Office a trademark application for the mark 'Great Taste' for its coffee products with the designated Application Number 32161.

"15. Finding the foregoing trademark application of Respondent-Applicant URC to be regular and compliant with applicable laws, rules and regulations, the then Philippine Patent Office issued a Notice of Publication and thereafter, a Notice of Issuance, a copy of which is

⁴ Exhibits "A" to "G" with Annexes "A" to "N" with submarkings

attached hereto as Annex '2' and Annex '3' and made an integral part thereof.

"16. The then Philippine Patent Office thereafter issued a Certificate of Registration for the mark 'Great Taste' in favor of CFC Corporation, under registration number 32347, the same to be effective for a term of twenty (20) years commencing on 5 August 1983.

"17. In compliance with the requirements of law, CFC Corporation filed before the then Philippine Patent Office, and thereafter before the then Bureau of Patents, Trademarks and Technology Transfer an Affidavit of Use dated 12 October 1988 and 23 September 1993, respectively, attesting to the fact that the registered mark 'GREAT TASTE' was still in use in the Philippine market.

"18. In the interest of effectively cutting down on operation costs and maximizing revenues, the Board of Directors of URC and CFC Corporation, by a majority vote, adopted a resolution on 21 May 1997 approving the cessation of the food manufacturing operations of the latter under its own charter and the assumption by the former of the said manufacturing operations. By virtue of the aforementioned resolution which was duly ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the representative corporations and which took effect on 1 June 1997, CFC Corporation sold, conveyed, and transferred its properties, assets and liabilities to Respondent-Applicant URC.

"19. Being the successor-in-interest of CFC Corporation, Respondent-Applicant URC, with the intent to revive and further promote the production of its predecessor's coffee products in the Philippines, filed on 10 June 2005 a Trademark Application for the mark 'GREAT TASTE' with this Honorable Office.

"20. This Honorable Office thereafter issued a Certificate of Registration for the mark 'Great Taste' in favor of Respondent-Applicant URC, under registration number 4-2005-005413.

"21. In compliance with provisions of the Intellectual Property Code, on 05 June 2008 URC filed before this Honorable Office a document denominated as 'Declaration of Actual Use' which attests to the fact that the registered mark 'GREAT TASTE' was still in use in the Philippines and that the goods which it designated are still available in the Philippine market.

"22. The foregoing reveals that since its establishment, Respondent-Applicant URC has grown to become one of the leading food and beverage manufacturers not only in the Philippines but also in other countries around the world. The affidavits of use, earlier marked as Annex '5', '6' and '11', which is a sworn document, will attest to the fact

that the 'GREAT TASTE' mark has become associated with Respondent-Applicant URC and in fact has gained for Respondent-Applicant URC goodwill and reputation for quality coffee products.

"23. In an effort to diversify its coffee products and give its customers a wider range of choices that would suit their need, Respondent-Applicant URC decided to introduce into the market the 'Great Taste Trio', 'Great Taste Gold' and 'Great Taste Decaf' variants. The foregoing developments led to the filing by Respondent-Applicant URC of an application for the registration of the Subject mark with this Honorable Office on 12 may 2010 under application number 4-2009-004661. xxx"

"26. With all due respect, Respondent-Applicant URC's respectfully submits that the flaw in the foregoing claim of Opposer lies in its failure to take into consideration the fact that the word 'decaf' falls under the category of generic or descriptive marks which under the Intellectual Property Code is not susceptible of exclusive appropriation by any person, juridical or otherwise. As earlier mentioned, the word 'decaf' cannot be anything but one which is generic in character and merely descriptive of a particular coffee product of Respondent-Applicant URC which is decaffeinated coffee. As such, no exclusivity of its use can rightfully be asserted even by URC who categorically disclaimed the same in its trademark application. xxx

"29. The word 'decaf' is generic and descriptive of coffee, the caffeine content of which has been eliminated or greatly reduced, hence, not legally protectable and invalid as a trademark pursuant to the afore-quoted doctrine.

"30. The foregoing finds support in the fact that Free Dictionary, AudioEnglish.net defines decaf (classified as a noun denoting drink) as coffee with the caffeine removed or considerably diminished/reduced; also used to refer to decaffeinated coffee.

"31. Decaffeination, on the other hand, is the act/process of removing caffeine from coffee beans, cocoa, tea leaves and other caffeine-containing materials. The foregoing process and the effects thereof to one's health is described in detail by the Coffee Research Institute in this wise, thus:

'Decaffeinating coffee is achieved through a variety of decaffeination process, all of which are relatively harmless to your health, but harmful to coffee quality. Almost every process of decaffeination consists of soaking beans in water to dissolve the caffeine, extracting the caffeine with either a solvent or activated carbon, and then re-soaking the coffee beans in decaffeinated water to reabsorb the flavor compounds which were lost in the initial extraction. The solvents typically used are methylene chloride or ethyl acetate, which both have a low boiling point. Since ethyl acetate is found naturally in fruits you will hear people call this process 'natural'. In any case the solvent never comes in contact with the coffee bean itself, but only the water solution containing the caffeine that was previously extracted from the coffee bean. Therefore the water decaffeination process is relatively benign. All methods used to decaffeinate coffee are based on equilibrium

principle and solvent/solute properties. As such, neither all of the caffeine is removed from the coffee, nor all of the flavor compounds returned or left in the coffee. The chemical composition of decaffeinated coffee (or decaf coffee) is altered, and therefore the flavor and aroma are changed.'

"32. It bears emphasis that in addition to coffee beans, the process of decaffeination is and has been likewise applied to cocoa and tea to cater the needs of consumers who prefer caffeine free cocoa or tea products. Hence, we have 'Decaf Mandarin Orchard', 'Sleepytime Decaf Lemon Jasmine Green Tea and 'New England Decaffeinated Tea' for tea products.

"33. Having established that the word 'decaf' is generic and descriptive not only of coffee but also of tea, Respondent-Applicant URC respectfully submits that the Certificate of Registration for the Cited Mark issued under the name of the Opposer cannot be used to exclude other entities, including Respondent-Applicant URC, from using the same accurately describe their coffee products. xxx

"41. With all due respect, Respondent-Applicant URC respectfully submits that a mere list of countries where Opposer has registered or caused the registration of the Cited Marks or has filed trademark applications for the same does not in any way vest Opposer with a special right to the exclusive use thereof because coffee manufacturers, sellers and distributors worldwide are also freely using the oword 'decaf' to designate their respective coffee products.

"42. The foregoing finds support in the fact that in the countries mentioned in Opposer's Protection List and in other countries around the world, coffee manufacturers, sellers and distributors also use the oword 'decaf' as part of their respective composite marks to designate their coffee products. Below is a list of some manufacturers, sellers and distributors of coffee products from all over the world who use the word 'decaf' as part of their respective composite marks, thus:

Manufacturers/Sellers/Distributors	Country	Trademark
1. Descafeinadores Mexicanos S.A. de C.V.	Cordoba	Mountain Water Decaf
2. Timothy's Coffees of the World, Inc.	Toronto, Ontario	Jazzed Up Decaf
3. Cafes Pont S.L.	Spain	Cafes Pont Decaf Saborinalterable
4. Celestial Seasonings, Inc.	Colorado, USA	Decaf Mandarin Orchard
5. Celestial Seasonings, Inc.	Colorado, USA	Decaf Morning Thunder
6. Coffee Process Technology Corp.	Houston, Texas, USA	Uvvv Decaf
7. Starbucks US Brands LLC	USA	Decaf Shots Syrup Custom Drink

8. New England Tea & Coffee Inc.	England	Decaf Shots Syrup Milk Custom Drink
9. Jeremiah's Pick Coffee	San Francisco, California	Jeremiah's Pick Coffee Organic Water Processed Decaf
10. Wolfgang Puck Company	California	Sorrento Swiss Water Process Decaf Blend
11. Van Houtte, Inc.	Canada	Swiss Water Decaf Coffee
12. Altura Coffee	Auckland	Regular Coffee Decaf
13. The Green Bean Company	USA	The Green Bean Company Organic Water Process Decaf
14. Tully's Coffe	California	French Rose Decaf
15. Starbucks US Brands LLC	USA	Decaf House Blend
16. Folgers Inc.	USA	Folgers Classic Decaf

"43. In support of the foregoing, Respondent-Applicant URC hereby attaches as Annex '14' to this Answer photographs of coffee products bearing and using the word 'decaf' as part of their respective composite marks. On this point alone, Respondent-Applicant URC respectfully submits that no cause of action can possibly exist in favor of Opposer. Such being the case, there cannot likewise be any injury or damage to the Opposer. On the contrary, grave and irreparable injury will be sustained by Respondent-Applicant URC if it is deprived of the right to use the generic and descriptive word 'decaf', the same not being susceptible of exclusive appropriation by any person, juridical or otherwise. xxx

"48. As earlier mentioned, the adoption by Respondent-Applicant URC of the Subject Mark for its coffee products is anchored in its intent to continue the affluent legacy which it inherited from its predecessor, CFC Corporation, and more importantly, an exercise of a fundamental right to use a descriptive or generic mark/word as part of a composite mark which every, coffee, tea and/or cocoa manufacturer, seller, distributor is entitled to.

"49. Moreover, Respondent-Applicant URC could not emphasize more the fact that it has been in the food industry business since 1954, the production of coffee and related products being one of the primary components thereof. On account thereof, Opposer's allegation that URC's adoption of the Subject Mark was done with the intent of benefiting from the goodwill and good reputation created by the Opposer for its products

necessarily disintegrates for being entirely baseless, the fact being that Respondent-Applicant URC's

To support its defense, the Respondent-Applicant submitted as evidence the following:

1. Copy of Trademark Application No. 32161 for the mark "Great taste" dated 4 January 1977;
2. Copy of Notice of Publication and Notice of Issuance;
3. Copy of Certificate of Registration No. 32347 for the mark "GREAT TASTE" in the name of CFC Corporation dated 5 August 1983;
4. Copies of Affidavits of Use for the mark "GREAT TASTE" dated 12 October 1988 and 23 September 1993;
5. Copies of Secretary's Certificates of Respondent-Applicant URC and CFC Corporation both dated 21 May 1997;
6. Copy of Certificate of Registration No. 4-2005-005413 for the mark "GREAT TASTE" dated 28 April 2006;
7. Copy of the Declaration of use for the mark "GREAT TASTE" dated 5 June 2008.
8. Copy of Trademark Application for the mark "GREAT TASTE DECAF" dated 12 May 2010;
9. Copy of Notice of Allowance dated 5 March 2010; and
10. Copy of pictures showing coffee products with the word "DECAF".⁵

The Preliminary Conference was terminated on 26 February 2013 wherein the parties were directed to file their respective position papers. The Opposer submitted its position paper on 19 March 2013.

Should the Respondent-Applicant be allowed to register the trademark GREAT TASTE DECAF & DEVICE?

Records show that at the time Respondent-Applicant applied for registration of the mark "GREAT TASTE DECAF & DEVICE" the Opposer already registered the mark "DECAF" under of Registration No. 044586 dated 19 May 1989 for the mark "DECAF". The goods covered by the Opposer's trademark registration are also under Class 30, namely: "coffee, coffee extracts, decaffeinated coffee, extracts of decaffeinated coffee, all these products with or without addition of chicory or carbohydrates", while the Respondent-Applicant's trademark application indicates use as "coffee and instant coffee". The records further show that the mark a Certificate of Registration for the trademark "GREAT TASTE" was issued in the name of CFC Corporation, an affiliate of the Respondent-Applicant.

The competing marks are reproduced below:

⁵ Annexes "1" to "14"

DECAF



Opposer's mark

Respondent-Applicant's mark

The Opposer's trademark DECAF is part of Respondent-Applicant's composite trademark GREAT TASTE DECAF & DEVICE. Such similarity however, is not sufficient to conclude that confusion among the consumers is likely to occur. It is noteworthy that the "decaf" is a generic term meaning coffee with caffeine removed.⁶ In the case of *Societe Des Produits Nestle v. Court of Appeals and CFC Corporation*⁷, the Supreme Court elaborates on the definition of generic and descriptive terms, to wit:

Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product," and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.

Clearly, the word "decaf" conveys the genus of coffee or tea that have been depleted of caffeine. The Supreme Court in the case of *Ong Ai Gui alias Tan Ai Gui v. Director of Patents, E.I. Du Pont De Nemours and Company*⁸ explains why generic or descriptive words cannot be exclusively appropriated, thus it held:

The import of the decision is that the trade-name may be registered, but applicant-appellant may not be entitled to the exclusive use of the terms "shirts factory" and "nylon" as against any other who may subsequently use the said terms, *juris publici*, incapable of appropriation by any single individual to the exclusion of others. This is supported by reason and authority.

A word or a combination of words which is merely descriptive of an article of trade, or of its composition, characteristics, or qualities, cannot be appropriated and protected as a trademark to the exclusion of its use by others. The reason for this is that inasmuch as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate to himself exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics,

⁶ www.thefreedictionary.prg.com/decaf; Goodwin, Lindsay, coffeetea.aboutcom/od/glossary/offerms/g/Decaf-Definition

⁷ G.R. No. 112012, 4 April 2001

⁷ G.R. L. 6235, March 28, 1995

and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all. This rule excluding descriptive terms has also been held to apply to trade-names. As to whether words employed fall within this prohibition, it is said that the true test is not whether they are exhaustively descriptive of the article designated, but whether in themselves, and as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of the thing intended. If they are thus descriptive, and not arbitrary, they cannot be appropriated from general use and become the exclusive property of anyone. (52 Am. Jur. 542-543.)

. . . If the trade-name consists of a descriptive word, no monopoly of the right to use the same can be acquired. This is but a corollary of the proposition that a descriptive word cannot be the subject of a trade mark. *G. & C. Merriam Co. vs. Salfeld* (C. C. A.) 198, 369. Other may use the same or similar descriptive word in connection with their own wares, provided they take proper steps to prevent the public being deceived. . . . (*Richmond Remedies Co. vs. Dr. Miles Medical Co.*, 16 E. (sd) 598.)

. . . The so-called descriptive terms, which may be used to described the product adequately, can not be monopolized by a single user and are available to all. It is only natural that the trade will prefer those marks which bear some reference to the article itself. Therefore, even those descriptive marks which are distinctive by themselves can be appropriated by others with impunity. A descriptive word may be admittedly distinctive, especially if the user is the first creator of the article. It will, however, be denied protection, not because it lacks distinctiveness, but rather because others are equally entitled to its use. . . (2 Callman. *Unfair Competition and Trade Marks*, pp. 869-870.)

The claim that a combination of words may be registered as a trade-name is no justification for not applying the rules or principles hereinabove mentioned. The use of a generic term in a trade-name is always conditional, i. e., subject to the limitation that the registrant does not acquire the exclusive right to the descriptive or generic term or word.

Aptly, the Opposer should not have been granted registration because its right to use the term decaf with exclusivity, to the exclusion of others will unfairly prevent others from describing their coffee products appropriately and adequately. It is observed that even if the Opposer adopted the descriptive word "DECAF" as its mark, its use has not attained exclusivity. In this regard, the Respondent-Applicant has keenly pointed out - several other entities using the word "DECAF" in their trademarks⁹ to convey the quality of their coffee products.

More importantly, the Respondent-Applicant has shown that it has engaged in the business of selling coffee since 1977 through its affiliate CRC Corporation as evidenced by Affidavits of Use for the mark "GREAT TASTE"¹⁰ and Certificate of Registration No. 4-2005-005413¹¹. "GREAT TASTE" prominently appears in the subject trademark application. Considering further, that the trademark of Respondent-Applicant consists of the word "DECAF", used as a descriptive and generic term that describes the nature or characteristic of coffee and "GREAT TASTE", such combination point distinctly to the Respondent-Applicant as origin of the goods. Therefore, no confusion is likely to arise from the use of the mark GREAT TASTE DECAF & DEVICE for coffee and instant coffee.

⁹ Exhibit "14"

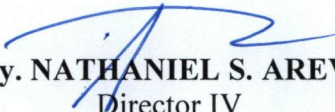
¹⁰ Annexes "5" and "6"

¹¹ Annex "10"

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2009-004661 is hereby **DISMISSED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 4 May 2015.


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