

KABUSHIKI KAISHA YAKULT HONSHA,
Opposer,

-versus-

BETAGEN ASIA LIMITED,
Respondent- Applicant.

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} **IPC No. 14-2010-00154**
} Opposition to:
} Appln. Serial No. 4-2008-011499
} Date Filed: September 22, 2008
} **TM: "BETAGEN AND**
} **BOTTLE DESIGN"**

NOTICE OF DECISION

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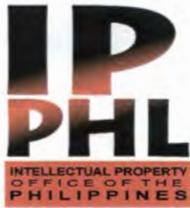
GREETINGS:

Please be informed that Decision No. 2016 - 173 dated June 13, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 13, 2016.

For the Director:

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



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IPC NO. 14-2010-00154

Opposition to:

Appln. Ser. No. 4-2008-011499

Filing Date: 22 September 2008

Trademark: **BETAGEN BOTTLE &
DESIGN**

Decision No. 2016 - 173

DECISION

KABUSHIKI KAISHA YAKULT HONSHA¹ ("Opposer") filed a Verified Opposition to Trademark Application Serial No. 4-2008-011499. The application, filed by BETAGEN ASIA LIMITED² ("Respondent-Applicant") covers the mark **BETAGEN BOTTLE & DESIGN** for use on "dairy products; milk products; flavored yoghurts and yoghurt drinks" under Class 29 of the International Classification of goods³.

The Opposer alleges the following grounds:

"1. Opposer is the well and known manufacturer of fermented milk products marketed worldwide, including the Philippines, which are contained in a uniquely designed and shaped plastic bottle, which bottle design and shape it has registered as trademark around the world.

"2. Opposer is thus the originator of the unique bottle design mark, having developed the bottle device to identify its fermented milk products along with its famous trademark YAKULT. Said bottle design was first used in commerce in Japan in 1968 when Opposer started selling its YAKULT fermented milk products. Since then, it has used its bottle device mark for its products extensively around the world for decades. Opposer is the owner and prior user of the unique bottle design and shape in the Philippines, having used it here since 1977, or for more than three (3) decades now in respect of its cultured milk products. As a result of this commercial use of the distinct bottle design and shape for several decades, it has acquired goodwill as a trademark of the Opposer and Philippine consumers have always identified said bottle device with Opposer's milk products.

"3. As a trademark, the unique bottle design has been appropriated and registered by Opposer in 144 countries around the world. The unique shape of Opposer's bottle design was first registered as a trademark in U.S.A. under Reg. No. 1512202 issued on November 8, 1988. It was first registered in the Philippines under Serial No. SR 6942 dated May 20, 1985 for the term of 20 years. Under the Intellectual Property Code, the Opposer applied for trademark registration of its bottle device in respect of its Class 29 milk product under Application No. 4-2000-002840 in the

¹A corporation organized and existing under the laws of Japan with principal place of business at 1-1-19 Higashi-Shinbashi, Minato-ku, Tokyo, Japan

²A corporation organized and existing under the laws of Hong Kong with address at Room 102, Bank America Tower, 12 Harcourt Road, Central Hong Kong.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service 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.

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year 2000, which application proceeded to registration on October 22, 2007. Opposer is the prior registrant of the unique BOTTLE DEVICE trademark in commerce.

"4. The Opposer's bottle device has been used and registered around the world and in the Philippines long before Applicant appropriated the identical bottle design for use along with the trademark BETAGEN in respect of identical products under Class 29.

"5. The bottle design in Applicant's trademark BETAGEN and BOTTLE DESIGN is a dominant and prominent element thereof, and is very closely similar to, and resembles Opposer's BOTTLE DEVICE trademark, as to be likely, when applied to or used in connection with the Applicant's identical products, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Applicant's products either come from Opposer or are endorsed, sponsored or licensed by it; or that such products have been manufactured as a result of a joint venture or some affiliation with it; or that said identical and related products have same characteristics as Opposer's milk products.

"6. The registration and use by Applicant of the BOTTLE DESIGN element in its trademark will diminish the distinctiveness and dilute the goodwill of Opposer's BOTTLE DEVICE trademark, which is an arbitrary trademark when applied on Opposer's products.

"7. Applicant adopted the BOTTLE DESIGN for its identical goods with the obvious intention of capitalizing on the worldwide goodwill of the Opposer's BOTTLE DEVICE trademark and misleading the public into believing that its identical products packaged under the very closely similar or identically shaped plastic bottles originate from, or are licensed or sponsored by Opposer, or is the result of an association, collaboration or affiliation with Opposer, which has been identified in the trade and by consumers as the world famous manufacturer of fermented milk and related products.

"8. The approval of the Applicant's trademark BETAGEN & BOTTLE DESIGN is based on the representation that it is the originator, true owner and first user of the word BETAGEN and the unique BOTTLE DEVICE. However, in truth, said bottle device was merely copied/derived from Opposer's prior BOTTLE DEVICE trademark.

"9. With its widespread registration and use around the world for decades in respect of Opposer's cultured milk products, Opposer's BOTTLE DEVICE trademark is entitled to protection as a well-known mark. Applicant's appropriation and use of the BOTTLE DESIGN in its trademark infringes upon Opposer's exclusive right to use the distinct BOTTLE DEVICE, which is a well-known mark protected under Section 37 of the old Trademark Law, Section 147 and 165 (2) (a) of the IP Code, Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and Japan adhere.

"10. The registration of the unique BOTTLE DESIGN as part of the Applicant's trademark is contrary to other provisions of the IP Code, the Paris Convention and TRIPS Agreement."

The Opposer's evidence consists of the following:

1. Exhibit "A" - authenticated Affidavit of Ken-ichiro Nokata ;
2. Exhibit "B" - certified true copy of Certificate of Registration No. SR 6942 for the BOTTLE DEVICE;
3. Exhibit "C" - certified true copy of Certificate of Registration No. 4-2000-002840 for the BOTTLE DEVICE mark;
4. Exhibits "D" to "D-88" - copies of distribution reports, sales reports, delivery

- receipts, invoices, distribution, summaries of goods bearing the BOTTLE DEVICE mark;
5. Exhibits "E" to "E-100" - copies of advertisements of the products, handouts, posters, flyers, brochures and other materials bearing Opposer's mark BOTTLE DEVICE; ;
 6. Exhibits "F"- List trademark registrations for the BOTTLE DEVICE obtained by Opposer worldwide;
 7. Exhibits "G" to "G-14" - representative sampling of international registrations for BOTTLE DEVICE mark in Class 29;
 8. Exhibits "H" and "H-209" - samples of television and advertising campaigns for Opposer milk product marketed under the BOTTLE DEVICE mark;
 9. Exhibits "I" to "I-273" - samples of Opposer's handouts, posters, flyers, brochures and other material bearing the BOTTLE DEVICE mark ;
 10. Exhibits "J" to "J-9" - printout of the pertinent pages of Opposer's website and the websites of its affiliates and subsidiaries accessible in the Philippines; and
 11. Exhibit "K" - Entry of Judgment issued by IPOPHL in IPC No. 14-2007-00192.

This Bureau issued on 12 August 2010 a Notice to Answer and personally served it to Respondent-Applicant's counsel. After several motions for extension of time, Respondent-Applicant filed the Verified Answer on 21 December 2010 alleging the following Defenses:

"I. The configuration of Opposer's Bottle Device is not a distinct or arbitrary mark and is not entitled to protection.

"II. Even assuming that Opposer's 'Bottle Device' is a valid trademark, Opposer's claim that the alleged use of the configuration of its bottle design alone would likely cause confusion, mistake and deception on the part of the purchasing public.

The word mark BETAGEN and the representation of an elf-like figure holding an ornamental arrow pointing upward are dominant and prominent elements of the trademark application 'BETAGEN & BOTTLE DESIGN' not the bottle design alone.

"III. Where product configuration are at issue, consumers are generally more likely to think that a competitor has entered the market with a similar product.

Consumer of products generally rely on the word marks used with the product as indicators of source rather than the shape of the product.

"IV. Even assuming that Opposer's 'Bottle Device' is a valid trademark, Opposer is wrong in dissecting only a part of Respondent's mark as basis to conclude that there exists a likelihood of confusion between the two marks.

The entirety of the dominant features of the Respondent's mark including the end-product packaging, not just the configuration of the product, should be taken into consideration in order to determine the issue of alleged confusing similarity.

"V. The dominant element of the Opposer's trademark and the subject of extensive marketing and promotion as its trademark is the word mark 'Yakult' which is said to contain the Lactobacilli Shirota Strain, and not its bottle device.

"VI. Opposer has failed to satisfy all the criteria set forth under Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers for the mark 'Bottle Device' to be declared well-known.

"VII. Respondent has acquired goodwill over its 'BETAGEN & BOTTLE DESIGN' and need not ride on the alleged popularity of Opposer's 'Bottle Device'.

"VIII. Opposer failed to prove that it will suffer damage and prejudice as a result of the registration of Respondent-Applicant's 'BETAGEN & BOTTLE DESIGN' trademark."

In support of its arguments, Respondent-Applicant submitted the following evidence:

1. Certificate issued to Amara Bhuwanant;
2. Authenticated Affidavit of Thanadej Attaskulchai with attachments:

Annex "A" to "A-1" - copy of the list of pending applications and registration of BETAGEN & BOTTLE DESIGN;

Annex "B" - copy of Trademark application for the mark BETAGEN 3D;

Annex "C" - photos showing use of BETAGEN products in Thailand, Laos, Cambodia and Vietnam;

Annex "D" - VCDs containing advertisements and/or promotions of Respondent-Applicant's products bearing the trademark BETAGEN & BOTTLE DESIGN.

On 20 January 2011, Opposer filed its Reply. Respondent-Applicant filed a Rejoinder thereto.

On 01 December 2010, this Bureau issued a Notice of Preliminary Conference. Upon agreement of the parties, the case was referred to Mediation. However, the parties failed to arrive at a settlement. On 24 August 2011, the preliminary conference was terminated and the parties were directed to submit position papers. On 06 September 2011, the parties submitted their respective Position Papers.

Should the Respondent-Applicant be allowed to register the mark "BETAGEN & BOTTLE DESIGN"?

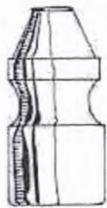
The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who has been instrumental in bringing into the market a superior article of merchandise, 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.⁴ Thus, Sec. 123.1 (d) of the 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

⁴See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

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.

The records show that at the time the Respondent-Applicant filed its application for the mark BETAGEN & BOTTLE DESIGN on 22 September 2008, the Opposer already has an existing registrations for the trademark CONFIGURATION OF A YAKULT BOTTLE issued way back in 1985. Respondent-Applicant's mark is used on "*dairy products; milk products; flavored yoghurts and yoghurt drinks*" which is similar or related to Opposer's "*beverage drinks including Yakult cultured milk*" both classified under Class 29.

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



Opposer's Marks



Respondent-Applicant's Mark

It is clear that Respondent-Applicant's "bottle design" resembles the configuration of the Opposer's Yakult bottle. Respondent-Applicant copied and appropriated Opposer's bottle design in its own bottle device subject of this opposition. While the word "Betagen" and the elf-like figure appears in Respondent-Applicant's mark to differentiate it from Opposer's mark, it does not veer away from the fact that Respondent-Applicant copied and adopted Opposer's bottle device which is Opposer's mark itself. There is no question that Opposer's cultured milk product is popular among consumers that there is likelihood that Respondent-Applicant's goods will be associated with the Opposer's product or that the consumers will likely be misled into believing that the products of Opposer and Respondent-Applicant using the similar bottle device come from the same source or manufacturer.

It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁵

⁵ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

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Moreover, fraud or bad faith is evident on the part of the Respondent-Applicant. As a player in the same industry where Opposer belongs, Respondent-Applicant is aware and knowledgeable of the goods or products of its competitors including that of Opposer's. Respondent-Applicant is expected to know how a certain competitor's product is doing in the market. Of all the possible shapes or configuration of a bottle that Respondent-Applicant can design, adopt or choose to use in its goods or products, it chose the design that is similar to Opposer's. This only shows that Respondent-Applicant intends to ride on the popularity of Opposer's Yakult products. Further, based on the IPOPHL's Online Trademark Database, there is no other similar design bottle as that of Opposer's, contrary to Respondent-Applicant's allegation that Yakult bottle configuration is commonly used in the market for similar products.

A trademark is a creation of use and belongs to one who first used it in trade or commerce.⁶ "The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership.⁷

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2008-011499, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City **13 JUN 2016**


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

⁶ *Berris v. Norvy Abdayang*, G.R. No. 183404, October 13, 2010.

⁷ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 7 June 2016.