

PEPSICO, INC.,
Opposer,

-versus-

NENITA D. TONGONAN,
Respondent- Applicant.

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}
} IPC No. 14-2014-00242
} Opposition to:
} Appln. No. 4-2014-003430
} Date Filed: 19 March 2014
} TM: " CRYSTAL DEW"

NOTICE OF DECISION

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NENITA D. TONGONAN
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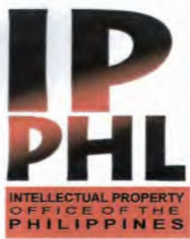
GREETINGS:

Please be informed that Decision No. 2016 - 192 dated June 27, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 27, 2016.

For the Director:

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



PEPSICO, INC.,
Opposer,

versus-

NENITA D. TONGONAN,
Respondent-Applicant.

x-----x

IPC NO. 14-2014-00242

Opposition to:
Appln. Ser. No. 4-2014-003430
Date Filed: 19 March 2014
Trademark: CRYSTAL DEW

Decision No. 2016 - 192

DECISION

PEPSICO, INC.¹ ("Opposer") filed on an Opposition to Trademark Application Serial No. 4-2014-003430. The application filed by NENITA D. TONGONAN² ("Respondent-Applicant") covers the mark CRYSTAL DEW for use on "ices" under Class 30 and "fruit juices and preparations in making fruit juices and beverages" under Class 32 of the International Classification of goods³.

The Opposer alleges the following grounds:

"7. Trademark Application No. 4-2014-003430, filed on March 19, 2014, covering goods under Classes 30 and 32 specifically for "ices" (class 30) and "fruit juices and preparations in making fruit juices and beverages" (class 32) in the name of Nenita D. Tongonan, should be DENIED in accordance with Section 123.1 pars (d) (e) and (g) of the Intellectual Property Code because said mark is identical with and/or confusingly similar to the internationally well-known mark DEW owned, registered and unabandoned by the Opposer.

"11. Opposer, PepsiCo Inc., is one of the world's leading manufacturers of some of the most recognized brands in food and beverage such as PEPSI, MIRINDA, 7UP and DEW also known as MOUNTAIN DEW or MTN DEW. In addition, and through its subsidiaries, it is also the largest manufacturer and seller of snack foods.

Opposer, through its predecessor- in- interest, first used the DEW mark in the 1940's or some 75 years ago.

"12. Opposer's DEW mark was first used in the 1940's - some 75 years ago- through its predecessor- in- interest Tennessee based bottlers Barney and Ally Hartman. Said mark and corresponding formula and beverage was acquired by Opposer in 1964. With the acquisition, the distribution and popularity of the DEW beverage exploded and became widespread.

"13. The mark DEW was first applied for registration in the United States on April 6, 1981 and was first registered on July 6, 1982. xxx

¹ A corporation organized and existing under the Laws of the United States with principal office at 700 Anderson Hill Road, Purchase 10577, New York United States.

² A Filipino citizen with address at Bacarra, Bacarra Ilocos Norte.

³ The 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.

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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"14. The mark MTN DEW, on the other hand was first applied for registration, by herein Opposer, in the United States on November 12, 2008 and was first registered on August 25, 2009. xxx

"15. The mark MOUNTAIN DEW was first applied for registration by herein Opposer in the United States on April 15, 1966 and was first registered on December 31, 1966. xxx

"Opposer owns a total of 1,116 applications and registrations for the DEW marks spanning 162 countries, including the Philippines.

"16. At present, Opposer owns a total of **1,116 applications and registrations covering 162 countries for the DEW marks** (DEW, MTN DEW, and MOUNTAIN DEW).xxx

"17. Of the total **1,116 worldwide registrations for the DEW, MTN and MOUNTAIN DEW** marks, Opposer owns at least 30 registrations for the mark **DEW** alone, as follows:

x x x

"18. In the Philippines, Opposer owns the following applications/registrations for the DEW marks:

x x x

Opposer has spent substantial sums of money to advertise and promote products bearing the mark DEW.

19. In addition to obtaining worldwide registration for Opposer's DEW marks, it has also extensively advertised said mark. As a matter of fact, in the Philippines alone, advertising expenses for the last five years totalled US\$ 32.8 Million or approximately PHP 1.5 Billion Pesos, with the following breakdown:

x x x

Opposer has sold more than 1.7 BILLION Units of products bearing the mark DEW, of which 263.4 MILLION are in the Philippines.

"21. As a result of the extensive promotion and advertising of DEW products, worldwide sales for the last five years totalled 1,649,000,000 unit volume (8 oz case) – that's nearly 1.7 BILLION units – with the following breakdown:

"22. In the Philippines alone, sales totalled 263.4 Million unit volume (8 oz cases) in terms of volume for the last four years and a portion of the current year, as shown below:

x x x

"Numerous independent and third party articles and pop culture reference has been made about Opposer's DEW products.

"23. The worldwide fame, popularity, reputation and extensive use of the DEW marks (DEW, MTN DEW and MOUNTAIN DEW) worldwide, including the Philippines, is further evidenced by third parties articles and rave reports – both in print and digital media about Opposer's DEW product, including the following:

24. In addition, Opposer also maintains a local facebook page about DEW - <https://www.facebook.com/pages/Mountain-Dew/287726681254716>.

"25. In addition to the abovementioned websites and articles, the popularity of DEW is also evidenced by the following pop culture references:

x x x

Opposer has successfully defended its rights over its DEW marks.

"26. As a result of the wild popularity of DEW products, third parties have tried to infringe upon Opposer's rights in the DEW mark but they have failed."

The Opposer submitted the following evidence:

1. Affidavit of Elizabeth N. Bilus;
2. Certified copies of US Registration Nos. 3674406 and 3674407;
3. Certified copy of US Registration No. 08203623;
4. Listing of worldwide registration and applications for the DEW marks;
5. Representative samples of registration of Opposer's DEW marks in Australia, Bahrain, CTM, India, Kuwait, Russian Federation and Thailand;
6. Printouts of websites in the Philippines with articles about Opposer's DEW marks; and
7. Opposer's local facebook page about DEW;

This Bureau issued on 26 August 2014 a Notice to Answer and it was served to the Respondent-Applicant's address thru DHL. However, it was returned for insufficient address. It was again served thru registered mail on 06 July 2015 and was received on 05 August 2015. However, despite receipt of the Notice, Respondent failed to file the answer. On 04 May 2016, the Respondent was declared in default. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should the Respondent-Applicant's mark **CRYSTAL DEW** be allowed registration?

Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Section 123.Registrability. - 123.1. A mark cannot be registered if it:

- (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;

The prohibition under the above-quoted provision applies only if the competing marks are identical or confusingly similar. In this regard, the marks of the parties are depicted below for comparison:



DO THE DEW

Opposer's Marks

CRYSTAL DEW

Respondent-Applicant's Mark

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademark pictured in their manner of display. Inspection should be undertaken from the viewpoint of the prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling and pronunciation, of words used; and the setting in which the words appear" may be considered.⁴ Thus, confusion is likely between marks only if their overall presentation as to sound, appearance or meaning would make it possible for consumers to believe that the goods or products, to which the marks are attached, comes from the same source or are connected or associated with each other.

Respondent-Applicant is different and distinct from Opposer's mark. Opposer's mark consist of the words "CRYSTAL" and "DEW" plainly written in uppercase letters. On the other hand, Opposer's marks consists of the word "DEW" or in combination with the word "MTN" for "MTN DEW"; "MOUNTAIN" for 'MOUNTAIN DEW'; or the words "DO" and "THE" for the mark 'DO THE DEW". Opposer's marks are written in stylized manner in combination with a device except for the "DO THE DEW" mark which is plainly written in upper case letters. Despite the use by Respondent-Applicant of the word "DEW" in its mark "CRYSTAL DEW", its mark can easily be distinguished from that of Opposer's and as such Respondent-Applicant's mark cannot be said to be confusingly similar to Opposer's.

Also, a perusal of the Trademark Database of this Office shows that Opposer is not the only one who adopted the word "DEW" in its goods such that when the word "DEW" is not only attributable to Opposer's goods. The word "DEW" in combination with other words have been registered by this Office for use on various goods under different classes and in the same class upon which Opposer's mark is used such as "CRYSTAL DEW", "DEW DROPS", DEW FOAM", "DEW ELASTIC" and "TROPICAL DEW" among others.

⁴ *Etepha A.G. v. Director of Patents, G.R. No. L-20635, 31 March 1966.*


In fact, because Opposer's MOUNTAIN DEW product is one of the popular soda drinks in the country, a person who wants to purchase or drink a MOUNTAIN DEW will not be confused into buying Respondent's CRYSTAL DEW believing it to be Opposer's MOUNTAIN DEW. The purchaser will go directly to the shelves where the Mountain Dew is displayed and get one for himself or herself. Accordingly, the likelihood of confusion between Opposer's and Respondent-Applicant's marks is remote.

Aptly, 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.⁵ Respondent-Applicant's mark met this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2014-003430, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City 27 JUN 2016


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

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.