

SOCIETE DES PRODUITS NESTLE S.A.,
Opposer,

-versus-

ADOLPHE INC.,
Respondent-Applicant.

} **IPC No. 14-2014-00405**
} Opposition to:
} Appln. Serial No. 4-2013-013230
} Date Filed: 05 November 2013
}
} **TM: RED CARNATION**
}

X-----X

NOTICE OF DECISION

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Pasig City

GREETINGS:

Please be informed that Decision No. 2017 - 245 dated 22 June 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHEL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 23 June 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

<p>SOCIETE DES PRODUITS NESTLE S.A., Opposer,</p> <p>-versus-</p> <p>ADOLPHE INC, Respondent-Applicant.</p> <p>x-----x</p>	<p>} IPC NO. 14-2014-00405</p> <p>} Opposition to:</p> <p>}</p> <p>} Appln. Ser. No. 4-2013-013230</p> <p>} Date Filed: 5 November 2013</p> <p>}</p> <p>} Trademark: “RED CARNATION”</p> <p>}</p> <p>} Decision No. 2017- <i>245</i></p>
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DECISION

SOCIETE DES PRODUITS NESTLE S.A., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2013-013230. The application, filed by ADOLPHE, INC. (Respondent-Applicant)², covers the mark “RED CARNATION”, for use on “rice” under Class 30 of the International Classification of Goods³.

The Opposer argues that:

“5. Being the prior user and true owner of the internationally and locally known CARNATION trademarks, Opposer is filing this Verified Notice of Opposition (‘Opposition’) pursuant to Section 134 of R.A. 8293 of the Intellectual Property Code of the Philippines (‘IP Code’) in relation to Section 123.1 par. (d), (e) and (f) because it believes it will be damaged by the Registration of Respondent-Applicant’s mark. Xxx

According to the Opposer:

“The registration of the Respondent-Applicant’s RED CARNATION mark is contrary to the provisions of Section 123.1 (d), (e), and (f) of the IP Code.

- I. Opposer is the first to adopt, use and register the well-known CARNATION Marks.
- II. Respondent-Applicant’s mark is confusingly similar to Opposer’s well-known CARNATION marks.

¹ A corporation organized and existing under the laws of Switzerland with address at CH-1800 Vevey, Switzerland

² A domestic corporation with address at Blk 1 Lot 1 Phase 3 El, Dagat-Dagatan, Caloocan 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.

- III. Respondent-Applicant's goods are identical or closely-related to the goods covered by Opposer's registrations for its well-known CARNATION Marks.
- IV. The registration of Respondent-Applicant's RED CARNATION mark will indicate a false connection to Opposer, the registered owner of the well-known CARNATION Marks. xxx"

According to the Opposer, the history of the CARNATION brand dates back to 1899, when E.A. Stuart founded the Pacific Coast Condensed Milk Company in Kent, Washington. He thought that 'carnation' would be the perfect name for his newly discovered sanitary milk product. The history of the CARNATION brand can be accessed at the following url: <https://www.nestleprofessional.com/united:states/en/Documentry/Carnation/CARNATION%20Story.pdf>. Opposer's purchase of the Carnation Co. in 1985 is published at http://articles.latimes.com/1985-01-05/busienss/fi-11646_1ftc-approval. The Opposer has advertised, promoted and registered its CARNATION marks in 136 territories outside the Philippines. In the Philippines, the plain word mark 'CARNATION' was first registered on 25 January 1972 and the composite mark "CARNATION & FLOWERS" on 25 April 1985. The CARNATION RED & WHITE LABEL was registered under Registration No. 002676 for class 29 on 16 March 1961; CARNATION under Registration No. 017259 for class 29 on 25 January 1972; CARNATION & FLOWERS under Registration No. 034268 for classes 29 and 30 on 25 April 1985; CARNATION under Registration No. 4-2007-000811 for classes 29 and 30 on 23 July 2007.

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

1. Verified Notice of Opposition;
2. Print-out of Page of IPO E-Gazette showing the trademark application of Respondent-Applicant for the mark RED CARNATION;
3. Affidavif of Mr. Dennis Jose R. Barot;
4. Print-out of history of Carnation brand at <https://www.nestleprofessional.com/united:states/en/Documentry/Carnation/CARNATION%20Story.pdf>.
5. Print-out of article on purchase of Carnation Co. at http://articles.latimes.com/1985-01-05/busienss/fi-11646_1ftc-approval.
6. Compact disc containing commercials, marketing and promotional materials and activities for CARNATION brand;
7. Print-out of Worldwide Protection List;
8. Certificates of Registration for the CARNATION marks in territories outside the Philippines; and
9. Certificates of Registration of the CARNATION marks in the Philippines.⁴

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 5 June 2015. The Respondent-Applicant, however did not file an Answer.

⁴ Exhibits "A" to "O" inclusive

Should the Respondent-Applicant be allowed to register the trademark RED CARNATION?

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 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.

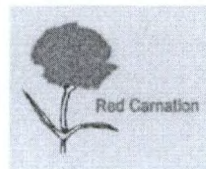
Records show that at the time Respondent-Applicant applied for registration of the mark "RED CARNATION" the Opposer already registered the CARNATION marks in the Philippines, particularly: "CARNATION" under Registration No. 017259⁶ for class 29 on 25 January 1972 and CARNATION & FLOWERS under Registration No. 034268⁷ for classes 29 and 30 on 25 April 1985. The goods covered by the Opposer's trademark registration are under Class 30, namely "rolled oats and corn flakes" and 29 "evaporated milk, condensed milk, malted milk".

But do the competing marks, depicted below resemble each other such that confusion, even deception, is likely to occur?

Opposer's marks



Respondent-Applicant's mark



Opposer's mark

CARNATION

Upon observation of the subject trademarks, it is readily apparent that the marks contain the identical word CARNATION. In addition, Opposer's composite mark

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

⁶ Exhibit "I"

⁷ Exhibit "J"

contain a picture of carnation flower, which was copied in Respondent-Applicant's mark. Respondent-Applicant's mark RED CARNATION nearly resembles the mark CARNATION & FLOWERS. At a glance, the commercial impressions of both marks are obviously the same. Visually and aurally the marks are confusingly similar. It is also noted that the Opposer registered CARNATION RED AND WHITE LABEL, under Registration No. 002676. It may not be mere coincidence that Respondent-Applicant included the word RED, which is a color which form part of the Opposer's CARNATION brand. The Opposer's goods under Registration No. 4-2007-000811⁸, for the mark "CARNATION", includes "rice" class 29, same as Respondent-Applicant's, thus it is a distinct possibility that consumers might think that the goods originate from the same source given the close resemblance between the marks. Confusion of goods is evident where the litigants are actually in competition; but confusion of business may arise between non-competing interests as well.⁹


Succinctly, because the Respondent-Applicant uses its mark on goods that are closely related to the Opposer's it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.¹⁰

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-013230 is hereby **SUSTAINED**. 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, 22 JUN 2017


ATTY. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs

⁸ Exhibit "M"

⁹ *Mighty Corporation v. E.J. Gallo and Andresons Group, Inc.*, G.R. No. 154342, July 4, 2014

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