



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

SOCIETE DES PRODUITS NESTLE, S.A.,
Opposer,

-versus-

ELDRIDGE MARVIN B. ACERON,
Respondent-Applicant.

IPC No. 14-2016-00544
Opposition to:
Appln. Serial No. 4-2014-013142
Date Filed: 22 October 2014

TM: KASAMBUHAY

X-----X

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 363 dated 09 November 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL 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, 10 November 2017.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

<p>SOCIETE DES PRODUITS NESTLE, S.A., Opposer</p> <p>-versus-</p> <p>ELDRIGE MARVIN B. ACERON, Respondent-Applicant.</p> <p>x-----x</p>	<p>} IPC No.14-2016-00544</p> <p>} Opposition to:</p> <p>} Appln. No. 4-2014-013142</p> <p>} Date Filed: 22 October 2014</p> <p>}</p> <p>} Trademark: "KASAMBUHAY"</p> <p>}</p> <p>} Decision No. 2017- <u>363</u></p>
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DECISION

SOCIETE DES PRODUITS NESTLE S.A., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2014-013142. The application, filed by ELDRIGE MARVIN B. ACERON (Respondent-Applicant)², covers the mark "KASAMBUHAY", for use on "Paper, cardboard and goods made from materials; not included in other classes, printed matter; bookbinding material; photographs; stationery; adhesives for stationary or household purposes; artist's materials, paint brushes, typewriters and office requisites (except furniture), instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards: printers' type printing blocks" under Class 16; "clothing, footwear, headgear" under Class 25 and "Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flower" under Class 26; and "telecommunications" under Class 38 of the International Classification of Goods³.

The Opposer anchors its opposition on the ground that it is the registered owner of the trademark "KASAMBUHAY HABANGBUHAY", for a variety of goods and services under several classes, including Class 38, namely: "Telecommunications, specifically radio and television programs." Being the prior user and true owner of the mark, the Opposer believes that it will be damaged by the registration of the Respondent-Applicant's 'KASAMBUHAY' mark under the provisions of Section 123.1 (d) of Republic Act 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code"). The Opposer argues that Respondent-Applicant's proposed mark "KASAMBUHAY" is confusingly similar to its registered mark it is the registered owner of "KASAMBUHAY HABANGBUHAY" and is proposed to be used on a service identical to a service covered by the Opposer's registration.

The Opposer alleges among other things, the following:

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

² With address at Unit 3101-B 31st Floor Atlanta Centre, 31 Annapolis St. Greenhills, San Juan, Metro Manila

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.

“12. In the Philippines, the history of Opposer started on 25 April 1911, when it opened a sales office in Calle Renta, Binondo, Manila. Now Nestle Philippines, Inc. (NPI), the Philippine licensee of Opposer for the manufacture and distribution of products, is one of the most dominant companies in the Philippines.

“13. Thus, in 2011, NPI celebrated its 100th year of Good Food and Good Life” in the Philippines. In anticipation of its centennial celebration, Nestle decided that the event must be commemorated ‘in context of the relationship Nestle has, and that it hopes to continue, with Filipino families who have trusted the Nestle brand and welcomed its products into their homes for generations. It was in the pursuance of such context that Nestle conceptualized the centennial theme, ‘Kasambuhay, Habambuhay (Companion in Life, For Life)’.

“14. The term ‘Kasambuhay’ was coined by Nestle by combining the words ‘Kasambahay’ and ‘Buhay’. It captured the fact that Nestle products have become very much a part of the Filipino families way of life, from generation to generation, in various stages of their lives. Thus, ‘Kasambuhay, Habambuhay’ translates to ‘Companion in Life, Companion For Life’. It certainly makes us happy and proud that in our 100 years of doing business in the Philippines, we have become the Filipino consumers ‘Kasambuhay, Habambuhay.’ Today, typing the word ‘KASAMBUHAY’ in any popular search engine will give at least 30,000 results, most of which make a direct reference to Nestle/NPI. xxx

“15. The theme ‘Kasambuhay, Habambuhay’ became the inspiration for all activities relating to the centennial celebration. Nestle realized that its 100 years in the Philippines have been closely entwined in the lives and milestones of every Filipino family. Such realization led to the crafting of Nestle’s centennial television commercial/short film anthology (collectively, ‘TVC’), ‘Kasambuhay, Habambuhay: Short Film Anthology’, as a special tribute to this unique relationship between Nestle and the Filipino family.

“16. The centennial TVC features ten minute (10-minute) short films produced by the country’s top directors x x x

“17. Each short film featured the following Nestle brands: BEAR BRAND Powdered Milk Drink, NESCAFE, MILO, NESTEA, MILO, NESTEA, NIDO, COFFEE-MATE, MAGGI, BEAR BRAND STERILIZED, NESTLE ICE CREAM, KOKO CRUNCH, NESTLE Fruit Selection Yogurt, and NESTLE FITNESS. x x x

“19. The centennial TVC premiered on 5 June 2011 at the Newport Theatre Resorts World Manila. The premiere was well attended by industry stakeholders, including no less than then IPOPHL Director General, Mr. Ricardo Blancaflor. x x x

“21. The ‘Kasambuhay, Habambuhay’ centennial celebration was such a huge success. It was talked about by Philippine consumers, shared and raved about on social media, and many bloggers wrote about it online, x x x

“22. The ‘Kasambuhay, Habambuhay’ campaign was regarded as a masterpiece and drew the highest honors from several award giving bodies x x x

“28. The registration of Respondent-Applicant’s ‘KASAMBUHAY’ mark is contrary to the provisions of Section 123.1 (d), which proscribes the registration of a prospective mark if it is confusingly similar to a registered mark in respect of the same services. x x x

“30. In determining confusing similarity of the marks, it is important to point out that, in IPC No. 14-2015-00172, Societe Des Produits nestle, S.A. (herein Opposer) also lodged an Opposition against Eldrige Marvin B. Aceron (herein Respondent-Applicant) involving an identical mark, ‘KASAMBUHAY’, covering a different service. x x x

“34. Applying the Court’s logic in this case, it is readily apparent that ‘KASAMBUHAY’ is the dominant feature of Opposer’s mark since it is written on top of and before the other words such that it is the first word that would catch the eyes of the consumer. Considering that Respondent-Applicant’s entire mark, ‘KASAMBUHAY’ is an exact duplication of the dominant feature of Opposer’s coined term and registered mark, ‘KASAMBUHAY HABANGBUHAY,’ Respondent-Applicant’s mark could be considered virtually identical to Opposer’s mark. x x x

“38. Here, a side-by-side comparison of the marks reveal that the marks are indeed confusingly similar. Moreover, it must be pointed out that Opposer’s mark is a plain word mark, and its registration aims to protect the word itself, regardless of the styling. Thus, it is immaterial that Respondent-Applicant’s mark is in shades of green.

“39. The only difference between the marks is that Respondent-Applicant’s mark does not contain the word ‘HABANGBUHAY’ found in Opposer’s mark.

“40. However, this is just a minor difference which, under the Dominancy Test, should be disregarded. It bears remembering that exact duplication or imitation is not required. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive consumers. When there are small differences between the marks, such differences may be *de minimis* when compared to the similarities.

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

1. Power of Attorney;
2. Print-out of E-Gazette publication showing Respondent-Applicant's application;
3. Affidavit of Claudia Maradan;
4. Print-out of online features on Nestle's "Kasambuhay Habambuhay";
5. CD of movie and event posters of "Kasambuhay Habambuhay";
6. Print-out of online features on Nestle's "Kasambuhay Habambuhay" short film anthology;
7. CD of television commercial, short film anthology;
8. Print-out of online features of awards received by "Kasambuhay Habambuhay" centennial celebrations of commercials and short films;
9. Copy of Certificate of Registration No. 4-2010-501631 for the mark "Kasambuhay Habangbuhay" issued 7 April 2011.⁴

The Respondent-Applicant filed his Answer on 22 March 2017, alleging among other things, that the registration of the mark KASAMBUHAY is not contrary to the provisions of Section 123.1 (d) of the Intellectual Property Code of the Philippines and that:

"16. In the instant case at bar, the would-be consumers who are the target market of both the marks are businesses, corporations, and employers of employees, and not just the teeming masses of the general public. In other words, they are obviously and reasonably, not 'ordinary buyers', according to the Supreme Court itself.

"17. Furthermore, all of the goods and/or services listed under Classes 16, 25, 26, and 38 are according again to the Supreme Court, reasonably neither 'household items', 'mass products', 'low priced articles in wide use' or 'matters of everyday purchase requiring frequent replacement', which are all 'bought without great care' by a consumer.

"18. Moreover, they are instead, according to the Supreme Court, reasonably 'expensive and valuable items', which are all 'normally bought only after a deliberate, comparative, and analytical investigation' by a consumer.

"14. It is obvious that just as with the hypothetical buyer of jeans in the above-cited case, the hypothetical consumer who is the target market for the above-listed goods and/or services, is not a 'completely unwary consumer' but is instead an ordinarily intelligent buyer' who will not settle for generic versions of the said goods and services, but instead, being more

⁴ Exhibits "A" to "O" inclusive of submarkings.

or less knowledgeable and familiar with their preference of such goods and/or services, will not easily be distracted by any other alleged rival brands or purveyors of such goods and/or services.”

The Preliminary Conference was held on 25 July 2017 where the parties were directed to file their respective position papers. The Opposer filed its position paper on 25 August 2017 while the Respondent-Applicant filed his position paper on 18 September 2017.

Should the Respondent-Applicant be allowed to register the trademark KASAMBUHAY?

Section 123.1, subparagraph (d) of Republic Act No. 8293, as amended, otherwise known as the Intellectual Property Office of the Philippines (“IP Code”), states:

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.

Records show that at the time Respondent-Applicant applied for registration of the mark “KASAMBUHAY”, the Opposer already registered the mark “KASAMBUHAY HABANGBUHAY” under Registration No. 4-2010-501631 for dated 7 April 2011 for the goods under Classes 5, 29, 30, 32, 35, 41, 44 and 38 which includes “telecommunications”. One of the services covered by the Opposer’s trademark registration is for Class 38, same as indicated in the Respondent-Applicant’s trademark application.

The question is: Are the competing marks, depicted below, identical or closely resembling each other such that confusion or mistake is likely to occur?

**KASAMBUHAY
HABANGBUHAY**

Opposer’s mark

Kasambuhay

Respondent-Applicant’s mark

The word KASAMBUHAY is identical in both marks. Visually and aurally, the competing marks, KASAMBUHAY HABANGBUHAY and KASAMBUHAY, are confusingly similar. When applied to identical services, such as telecommunications, specifically radio and television programs, it is not far-fetched that the public may be deceived that the Opposer has branched out or have a connection, affiliation or sponsorship to the business of Respondent-Applicant.

It worthy to note that the word KASAMBUHAY, according to Opposer, is a coined word, derived from a combination of the words KASAMBUHAY and BUHAY. Indeed, there is no dictionary meaning for the word KASAMBUHAY, which is totally a unique creation by the Opposer. Evidence shows that Opposer's mark has an internet presence and used in its centennial celebration in the form of commercial shows and short movie anthologies.⁵ It is likely that on account of the same coined word, KASAMBUHAY used by the Respondent-Applicant on telecommunications, even without the other word, HABANGBUHAY, confusion of business, if not confusion of the service itself, may occur. The Bureau does not lend credence to Respondent-Applicant's argument that the classes of goods /services of both parties are different or that the services/goods involved are not inexpensive items but valuable items that are purchased only after much deliberation and thought by the consumers. The fact remains that KASAMBUHAY, a dominant part of the Opposer's mark is a coined word and the use by Respondent-Applicant is also on telecommunications. As such its use by unauthorized entities is liable to lead to a likelihood of confusion or deception as to its true origin, source or affiliation.

Because the Respondent-Applicant uses its mark on service/goods that are similar or closely related to the Petitioner's it is likely that the consumers will have the impression that these goods/service 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.⁶

The public interest, therefore, requires that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to

⁵ Exhibits "C" to "F", "I" and "K".

⁶ *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

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.⁷ Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-013142 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, 09 NOV 2017



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

⁷*Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

⁸*American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 February 1970.