



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

**SAN MIGUEL PURE FOODS,
COMPANY, INC.,**
Opposer,

-versus-

**MAGNOLIA INTELLECTUAL
PROPERTY LLC,**
Respondent- Applicant.

X-----X

} **IPC No. 14-2015-00001**
} Opposition to:
} Appln. Serial No. 4-2014-504842
} Date Filed: 15 October 2014
} **TM: "MAGNOLIA BAKERY**
} **NEW YORK CITY"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 433 dated December 22, 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, January 03, 2018.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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IPC No. 14-2015-00001
Opposition to Trademark
Application No. 4-2014-504842
Date Filed: 15 October 2014

Trademark: "**MAGNOLIA BAKERY
NEW YORK CITY**"

Decision No. 2017- 433

DECISION

San Miguel Pure Foods Company, Inc.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-504842. The contested application, filed by Magnolia Intellectual Property LLC² ("Respondent-Applicant"), covers the mark "MAGNOLIA BAKERY NEW YORK CITY" for use on *"bakery desserts; bakery goods; bakery products; brownies; cakes; cheesecake; coffee and tea; cookies; cupcakes; dessert puddings; hot chocolate; muffins; pies"*, *"on-line retail store services featuring confectionery, bakery desserts, bakery goods, bakery products, cupcakes, pies, cakes, cookies, muffins, bread, buns, candies, coffee, tea, beverages, clothing, shirts, t-shirts, hats, caps, footwear, headwear, beverage ware, mugs, drinking glasses, jars, kitchen utensils and cooking utensils, textiles, aprons, packaging materials, boxes and bags of paper or cardboard, printed materials, cookbooks, catalogs; retail bakery shops; retail cupcake shops; retail store services featuring confectionery, bakery desserts, bakery goods, bakery products, cupcakes, pies, cakes, cookies, muffins, bread, buns, candies, coffee, tea, beverages, clothing, shirts, t-shirts, hats, caps, footwear, headwear, beverage ware, mugs, drinking glasses, jars, kitchen utensils and cooking utensils, textiles, aprons, packaging materials, boxes and bags of paper or cardboard, printed materials, cookbooks, catalogs; wholesale store services featuring confectionery, bakery desserts, bakery goods, bakery products, cupcakes, pies, cakes, cookies, muffins, bread, buns, candies, coffee, tea, beverages, clothing, shirts, t-shirts, hats, caps, footwear, headwear, beverage ware, mugs, drinking glasses, jars, kitchen utensils and cooking utensils, textiles, aprons, packaging materials, boxes and bags of paper or cardboard, printed materials, cookbooks, catalogs"* and *"café services; catering*

¹A domestic with address at 21F The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City.

²A corporation organized and existing under the laws of the United States of America ("USA"), with business address at 1841 Broadway, New York, New York 10023, USA.

services; restaurant services" under Classes 30, 35 and 43, respectively, of the International Classification of Goods³.

According to the Opposer, the "MAGNOLIA" mark was first used in commerce in the Philippines in the early 1920's as the name of a local ice cream or sorbetes cart peddling "dirty" ice cream or sorbets on the streets of Manila. In 1925, its parent company and predecessor-in-interest, San Miguel Corporation ("SMC"), acquired the Magnolia business and ice cream plant. In 1929, the "MAGNOLIA" mark was used on newly launched products such as Chocolait, Whole's Cow Recon Milk & Cream, Cottage Cheese and Buttermilk. In 1945, Fresh Cow's Milk products bearing the said mark were introduced. In 1954, the long-running and famous "Flavor of the Month" campaign was introduced for SMC's ice cream products. In 1971, the ice cream production business was transferred to Aurora Boulevard, where the Magnolia Ice Cream Parlor was also housed. SMC also entered into the poultry business using the "MAGNOLIA" brand. By the 1980's, the "MAGNOLIA" mark was used on various products. In the mid 1990's, the "MAGNOLIA" ice cream division of its predecessor-in-interest was spun-off as Magnolia Corporation, which subsequently entered into a joint venture with the ice cream division of Nestle S.A. to create Magnolia-Nestle Corporation. In 2004, it re-entered the ice cream and milk under its "MAGNOLIA" brand through its subsidiary, Magnolia Incorporated.

The Opposer also alleges that as early as 1987, its predecessor-in-interest already sought protection of its "MAGNOLIA" mark by filing with the then Philippine Patent Office ("PPO"). The "MAGNOLIA SORBETES" mark was registered on 05 March 1987 and was subsequently assigned to the Opposer. On 02 July 1993, Trademark Registration No. 55503 was issued for MAGNOLIA AND DESIGN" mark. Since then, it filed other applications for "MAGNOLIA" marks and variants thereof. It also caused registration of its marks in other countries and conducted extensive advertising and promotional campaigns for its products.

The Opposer thus claims to be the true and legitimate owner of the "MAGNOLIA" marks. It contends that the Respondent-Applicant's mark should not be allowed for being confusingly similar with its registered "MAGNOLIA" marks. In support of its opposition, the Opposer submitted the following:⁴

1. photographs of the first "MAGNOLIA" ice cream "carrito vendors", bottles bearing the "MAGNOLIA" mark in the 1950's and 1960's, various products during the 1980's bearing the "MAGNOLIA" mark, actual covers of ice cream

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

⁴ Marked as Exhibits "A" to "T".

- containers and other products bearing the mark and its advertising campaigns and/or features;
2. copies of its trademark registrations;
 3. list showing the particulars of its Philippine registrations;
 4. copy of the inter-office memorandum dated 01 September 1989 regarding the price increase of its "MAGNOLIA" products;
 5. copy of the letter from SMC regarding the new flavors of its ice cream products; and,
 6. copies of the relevant pages of SMC's 1976, 1988 and 1991 Annual Report.

The Respondent-Applicant filed an Answer on 18 June 2015 alleging, among others, that Magnolia Bakery was opened in 1996 at Bleeker Street in New York City's West Village by Jennifer Appel and Alyssa Toret. In 1999, Appel and Torey published a book entitled "The Magnolia Bakery Cookbook: Old-Fashioned Recipes from New York's Sweetest Bakery". Steve and Tyra Abrams, owners of the Opposer, acquired Magnolia Bakery in 2007 and expanded the bakery to locations worldwide. Its products are also available through its online store.

The Respondent-Applicant avers that it has registered the mark "MAGNOLIA BAKERY" in various jurisdictions. It denies that there is likelihood of confusion between its mark and that of the Opposers. The Respondent-Applicant's evidence consists of the following:⁵

1. printout of its website showing its history and locations worldwide;
2. printout of its online store showing its various products;
3. printout of articles mentioning its bakery;
4. flashdrive containing news programs and talk shows featuring its bakery;
5. certified true copies of its trademark registrations;
6. printouts from the United States Patent and Trademark Office database showing trademark registrations containing the word "MAGNOLIA"; and,
7. printouts from the IPO website showing registrations of "MAGNOLIA" marks other than the Opposer.

On 24 November 2016, the Preliminary Conference was conducted wherein the parties were directed to file their respective position papers within ten days therefrom. After which, the case is deemed submitted for decision.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "MAGNOLIA BAKERY NEW YORK CITY".

⁵ Marked as Exhibits "1" to "15", inclusive.

Records reveal that at the time the Respondent-Applicant filed the contested application, the Opposer and/or its predecessor-in-interest has registered the mark "MAGNOLIA" and variations thereof as early 05 March 1987.

Section 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

"Section 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; x x x"

To determine whether the marks are confusingly similar, the same are hereby reproduced as follows:

Opposer's marks include:

MAGNOLIA



MAGNOLIA QUICKMELT MAGNOLIA FLAVOR HOUSE

Respondent-Applicant's mark:



When one looks at the Opposer's mark, what is impressed in the eyes and mind is the word "MAGNOLIA", whether alone or in combination with other words. The prevalent feature of the Respondent-Applicant's applied mark is also "MAGNOLIA". The words "BAKERY NEW YORK CITY" do not add distinctiveness thereto. Also, despite any difference in presentation, the competing marks remain visually and aurally similar. After all, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other.⁶

Aptly, the Supreme Court in the case of **Del Monte Corporation vs. Court of Appeals**⁷, held thus:

"The question is not whether the two articles are distinguishable by their label when set side by side but whether the general confusion made by the article upon the eye of the casual purchaser who is unsuspecting and off his guard, is such as to likely result in his confounding it with the original. As observed in several cases, the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade and giving the attention such purchasers usually give in buying that class of goods is the touchstone."

Moreover, since the Respondent-Applicant will use or uses the mark "MAGNOLIA BAKERY NEW YORK CITY" to goods and/or services under Classes 30, 35 and 43, which the Opposer registered its marks. Hence, confusion, mistake and/or deception is even more likely. It is highly probable that the purchasers will be led to believe that Respondent-Applicant's mark is a mere variation of Opposer's mark and that the latter has entered into a bakery business. Withal, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through

⁶ Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

⁷ G.R. No. L-78325, 25 January 1990.

actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.⁸


Furthermore, it is settled that the likelihood of confusion would not extend not only as to the purchaser's perception of the goods but likewise on its origin. Callman notes two types of confusion. The first is the *confusion of goods* "in which event the ordinarily 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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."⁹

Finally, it is emphasized that 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.¹⁰ Based on the above discussion, Respondent-Applicant's trademark fell short in meeting this function.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-504842 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 DEC 2017


Atty. Z'SA MAY B. SUBEJANO-PE LIM
Adjudication Officer
Bureau of Legal Affairs

⁸ Skechers, USA, Inc. vs. Inter Pacific Industrial Trading Corp., G.R. No. 164321, 23 March 2011.

⁹ Societe des Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 08 August 2010.

¹⁰ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.