

SOCIETE DES PRODUITS NESTLE S.A.
And NESTLE PHILIPPINES, INC.

IPC NO. 14-2008-00162

Opposer,
-versus-

Case Filed: 17 July 2008
Opposition to:
Serial No. 4-2007-012809
Date Filed: 16 November 2007
TM: "BABY MILO w/ LOGO WITHIN
RECTANGULAR DEVICE"

ALAN S. YU,
Respondent-Applicant.
x-----x

Decision No. 2011- 14

DECISION

SOCIETE DES PRODUITS NESTLE S.A. and NESTLE PHILIPPINES, INC. (collectively as "Opposer"), filed an opposition to Trademark Application Serial No. 4-2007-012809. The application, filed by ALAN S. YU ("Respondent-Applicant"), covers the mark "BABY MILO with LOGO" for use on goods namely T-Shirts, Polo Shirts, dresses, jeans, jackets, slacks and many others falling under Class 25.

The Opposers anchor their opposition on their claim that the mark "MILO" is well-known internationally, including the Philippines, and therefore is entitled to protection under Article 6bis of the Convention of Paris for the Protection of Industrial Property, the pertinent provisions of the TRIPS Agreement and Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") against the registration of identical or confusingly similar marks. According to the Opposers, the Respondent-Applicant's applied mark is intended to take advantage of the goodwill attached to the Opposer's and should be rejected pursuant to Sec. 123.1 pars. (d) and (f) of the IP Code and Rule 101 (f) of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Container. To support their opposition, the Opposer's submitted the following as evidence:

1. Annexes "A" – legalized Special Power of Attorney issued by Opposer Societe Des Produits Nestle S.A. in favor of Bengzon Negre Untalan law office (BNU);
2. Annexes "B" – A certified true copy of the Trademark License Agreement between the Opposers;
3. Annex "C" – the Secretary's Certificate from the Opposer Nestle Philippines, Inc. stating BNU'S authority to represent NPI;
4. Annex "D" – Copy of the 1999 Nestle Philippines internal newsletter showing history of 'Milo' since its creation in 1934;
5. Annex "E" – Copy of the IPO decision in IPC No. 14-2007-00009 rejecting the rival mark "Mio";
6. Annex "F" - Certificate of registration for the "Milo" mark in Australia issued on 8 May 1934;
7. Annex "G"-VCDs/DVDs containing "Milo" TV commercial advertisements worldwide; and
8. Annex "H" – Copies of some of the website printouts.

The Respondent-Applicant did not file an answer to the opposition despite due notice. Hence, this bureau issued Order No. 2008-1948 on 05 December 2008 stating that the case is deemed submitted for the decision on the basis of the opposition, the affidavits of witnesses and the documentary evidence submitted by the Opposer.

Are the Opposers' marks well- known marks?

Rule 102 of the Trademark Regulation sets forth the criteria in determining whether a mark is considered to be well-known to wit:

Rule 102. *Criteria for determining whether a mark is well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) The duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) The market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) The degree of the inherent or acquired distinction of the mark;
- (d) The quality-image or reputation acquired by the mark;
- (e) The extent to which the mark has been registered in the world;
- (f) The exclusivity of registration attained by the mark in the world;
- (g) The extent to which the mark has been used in the world;
- (h) The exclusivity of use attained by the mark in the world;
- (i) The commercial value attributed to the mark in the world;
- (j) The record of successful protection of the rights in the mark;
- (k) The outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) The presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is well-known mark.

The Opposers submitted evidence with respect to more than 280 trademark registrations of MILO in 141 countries and on the extensive advertising and promotion of the mark in various media and formats and the expenditures there for, as well as the sales worldwide including the Philippines? These pieces of evidence constitute at least a combination of the criteria set forth in Rule 102 of the Trademark Regulations. Thus, the MILO marks are considered mark well-known under the aforesaid rule.

Significantly, Sec. 123.1 (f) of the IP Code states that a mark shall not be registered if it is “identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use”.

In this regard, evidence shows that MILO products have been widely sold in the Philippines since 1964, and due to its strong association to sports, the Opposers forged partnership with the Philippine Olympic Committee and featured athletes in media advertising and packaging for the products bearing the mark “MILO”. The Opposers also use the mark in advertisement and promotion activities, including printing it on T-shirts or jackets of athletes as depicted in various commercials. Moreover, at the time the Respondent filed its trademark application, the Opposers already have an array of trademark registrations or applications for the mark MILO and its variations in the Philippines: Reg. No. 44549 for “MILO IN WAVE DEVICE”, Reg. No. 4-005350 for MILO; Reg. No. 4-1998-005349 for “MILO”, and Application Serial No. 4-1007-010335 for “MILO JUNIOR”.

But, is the mark applied by the Respondent-Applicant for registration confusingly similar to the Opposers? The competing marks are depicted below:

MILO
Opposer's mark

BABY MILO
Respondent-Applicant's mark

Notwithstanding the presence of other features in the Respondent-Applicant's mark, what stands out and which immediately draws the eyes and the ears is the word MILO, which happens, to be registered trademark of the Opposers. The prominence of, and the "attraction" generated by, the word MILO in the Respondent-Applicant's mark is due to its mark.

Hence, notwithstanding that the goods covered by the Respondent-Applicant's trademark application appear to be different from the Opposer's, one who encounters a product bearing the Respondent-Applicant's mark will likely remember or recall the Opposers' mark MILO. Since the Opposers' mark highly distinctive, well-known and popular, it is likely that the consumer will have the impression that the Respondent-Applicant's product is associated or connected to, affiliated with or sponsored by the Opposers when in fact it is not. As mentioned above, the Opposers also use the mark in advertisement and promotional activities, including printing it on T-shirts or jackets of athletes as depicted in various commercials. There would be confusion or deception as to the source, origin or affiliation of the goods with the Respondent-Applicant riding on in the reputation and goodwill generated by the advertisement and promotion of the Opposer's marks. In *American Wire & Cable Co. v. Director of Patents et.al*, the Supreme Court held:

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. In short, 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 possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.

Trademark Application Serial No. 4-2008-012884 therefore, is proscribed by Sec. 123.1, par. (f) of the IP Code.

It is emphasized that the law on trademarks and tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name reputation built by another. A "boundless" choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his products from those of others. When, however, there is no reasonable explanation for the defendant's choice of such mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive. The ultimate ratio in cases of grave doubt is the rule that as between new comer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.

WHEREFORE, premises considered, the instant opposition is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2007-012809 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City, 22 February 2011.