

COMPAGNE GERVAIS DANONE
Opposer,
- versus -

IPC 14-2006-00192

Opposition to:
TM Application No. 4-2005-003001
Date Filed: 04 April 2005

SOCIETE DES PRODUCTS
NESTLE SA

Respondent-Applicant.

Trademark "ACTISMILE"

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Decision No. 2007-122

DECISION

This is an opposition filed by Compagne Gervais Danone on December 18, 2006 to the application for registration of the mark "ACTISMILE" bearing Application Serial No. 4-2005-009301 filed on April 4, 2005 by respondent-applicant Societe des Produits Nestle S>A for goods under the following class:

1. Class 5 – dietetic foods and substances adapted for medical and clinical use; food and food substances for babies, infants and invades; food and food substances for mothers adapted for medical use; nutritional and dietary supplements; vitamin preparations, mineral food preparations, agents assisting dental mineralization; medicated confectionery, preparations for dental hygiene, bactericidal preparations;
2. Class 29 - vegetables and potatoes (preserved, dried or cooked), fruits (preserved, Dried or cooked), mushrooms (preserved, dried or cooked), meat, poultry, game, fish and seafood, all these products also in the form of extracts, soups, jellies, pastes, preserved, ready-made dishes, frozen or dehydrated; jams, eggs; milk; milk-based products, casein; whey; cream; butter; cheese and other food preparations having a base of milk; milk substances; milk-based beverages; milk-based and cream-based desserts' yoghurts; soya milk (milk substances), soya-based preparation; edible oils and fats; protein preparations for human food; non-dairy creamers; sausages; charcuterie; peanut butter; soups; soup concentrates, both, stock cubes, bouillon consommés;
3. Class 30 – coffee, coffee extracts, coffee-based preparations and beverages' iced coffee; coffee substances. Extracts of coffee substitutes, preparations and beverages based on coffee substitutes; chicory; tea, tea extracts; tea based preparations and beverages; iced tea; malt-based preparations; cocoa and cocoa-based preparations and beverages; chocolate products, chocolate-based preparations and beverages; confectionery, sweets, candies; sugar; chewing gum, natural sweeteners; bakery products, bread yeast, pastry; biscuits, cakes, cookies, wafers, toffees, puddings; ice cream, water ices, sherbets, frozen confections, frozen cakes, soft ices, frozen desserts, frozen yoghurts; binding agents for making ice cream and/or water ices/or sherbets and/or frozen confections and/or frozen cakes and/or soft ices and/or frozen desserts and/or frozen yoghurts; honey and honey substitutes; breakfast cereals, muesli, corn flakes, cereal bars, ready-to-eat cereals, cereal preparations; rice; pasta, noodles; foodstuffs having a base of rice, of flour or of cereals, also in the form of ready-made dishes; pizzas, sandwiches, mixtures of alimentary paste and oven-ready prepared dough; sauces; soya sauce; ketchup; aromatizing or seasoning products for food, edible spices, condiments, salad dressings, mayonnaise; mustard, Vinegar; and
4. Class 32 – still water, effervescent water or carbonated water, processed water, spring water. Mineral water, flavoured water; fruit-flavored and fruit-based beverages, fruit and vegetable juices, nectars, lemonades, sodas and other non-alcoholic beverages; syrups, extracts and

essences and other preparations for making non-alcoholic beverages (except essential oils); lactic fermented beverages, casein-based beverages, whey-based beverages, soya-based beverages; malt-based beverages; isotonic beverages

The application was published in the Trademark Electronic Gazette of the Intellectual Property Philippines (IP Philippines) that was officially released for circulation on August 18, 2006.

Opposer Compiegne Gervais Danone is a foreign corporation organized and existing under the laws of France, with principal office at 17, boulevard Haussman, 75009 Paris, France.

The grounds for opposition are as follows:

1. Opposer is the owner and prior/first of the trademark "ACTIMEL";
2. Opposer is the originator of the trademark "ACTIMEL", having used the "ACTIMEL" mark in Belgium since 1994;
3. Opposer thereafter has been commercially using the trademark "ACTIMEL" through substantial sales, advertising, and promotion of products bearing the mark in many countries around the world for more than seven (7) years long before the appropriation and the filing of the application for the registration of the confusingly similar trademark "ACTIMEL" by respondent-applicant for its own products;
4. In the Philippines, opposer is the prior applicant of the trademark "ACTIMEL BOTTLE IN COLOR" under Application Serial No. 4-2004-005486 covering goods also under Classes 5, 29, 30, and 32 that are related, if not identical, to those covered by respondent-applicant's mark;
5. Opposer is the prior applicant of the trademark "ACTIMEL" in many countries worldwide; Opposer has register or applied for the registration of its "ACTIMEL" trademark in respect of a wide range of goods and services in 164 intellectual property office around the world that are similar or identical to those covered by respondent-applicant's mark;
6. Respondent-applicant's "ACTIMEL" trademark is very similar to, and so resembles opposer's trademark "ACTIMEL" as to be likely. When applied to or used in connection with respondent-applicant's identical products, to cause confusion, mistake, and respondent-applicant's products either come from opposer or are endorsed, sponsored, or licensed by it;
7. The registration and use by respondent-applicant of the trademark "ACTISMILE" will diminish the distinctiveness and dilute the goodwill of opposer's trademark "ACTIMEL" which is an arbitrary trademark when applied to opposer's products;
8. Respondent-applicant adopted the trademark "ACTISMILE" for its own goods with the obvious intention of capitalizing on the worldwide goodwill of opposer's "ACTIMEL" trademark and misleading the public into believing that its products bearing the very closely similar trademark; "ACTISMILE" originate from; or are licensed or sponsored by opposer, which has been identified in the trade and by consumers as closely connected with the goods covered;
9. The approval of respondent-applicant's mark "ACTISMILE" is based on the representation that is the originator, true owner, and first user of the trademark which was merely copied/derived from opposer's "ACTIMEL" trademark;
10. Opposer has used the mark "ACTIMEL" here and elsewhere extensively for more than a decade;
11. Opposer's "ACTIMEL" trademark is a well-known mark:

12. Respondent-applicant's appropriation and use of the trademark "ACTIMEL" infringes upon opposer's exclusive right to use the trademark "ACTIMEL" which is a well-known trademark protected under Section 37 of the old Trademark law; Sections 147 and 165 (2) (a) of the IP Code. Article 6bis of the Paris Convention; and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property rights (TRIPS) to which the Philippines and United States of America adhere;

13. The registration of the trademark "ACTIMEL" in respondent-applicant's name is contrary to the other provisions of the IP Code, the Paris Convention, and the Trips Agreement; and

14. The registration and use of respondent-applicant's confusingly similar. If not identical, trademark will damage opposer's interest for the following reasons;

- a. the trademark are substantially similar;
- b. Respondent-applicant's unauthorized appropriation and use of "ACTISMILE" will dilute opposer's goodwill and reputation among consumers;
- c. Respondent-applicant uses "ACTISMILE" on its goods as a self-promoting trademark to gain public acceptability through its association with opposer's popular "ACTIMEL" trademark, which is used on a wide variety of goods;
- d. Respondent-applicant's use of the "ACTISMILE" trademark on its goods indubitably establishes a connection with opposer because these kinds of goods are identical or related to those covered by opposer's "ACTIMEL" mark's and
- e. Respondent-applicant intends to trade, and trading on, opposer's goodwill.

A Notice to Answer sent by this Office on January 10, 2007 by registered mail was received by respondent-applicant through its counsel on the same date. Upon motion that were granted, respondent-applicant filed an ANSWER on May 10, 2007 admitting the allegations in the first paragraph under the heading "To The Director of Legal Affairs" of the verified NOTICE OF OPPOSITION, specifically denying the rest of the allegations, and alleging the following special and affirmative defences;

1. The instant opposition states no cause of action for which reason the same should be denied outright;

2. The opposition should be dismissed outright for its failure to show that Mr. Jerome Buscail who signed the verification is authorized by opposer to do the same for and on its behalf, and that Mr. Buscail also made himself the witness by executing the Affidavit attached as an exhibit to the opposition which he verified;

3. Opposer's "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" under Application Serial No. 4-2004-005486 is a tridimensional mark which includes the bottle, the word "DANONE" enclosed in a blue hexagon with a red wave-like figure under said word below said hexagon is a vertically positioned rectangle enclosing a representation of a green field and sun on a blue background, and beside these two devices is written sideways the word "ACTIMEL" with the prefix "ACTI" in red and "MEL" in blue and having a yellow curve connecting the letters 'A' and 'L';

4. Respondent-applicant's trademark on the other hand, it only a word mark consisting of the word "ACTISMILE";

5. Substantial differences exist, thus, between the two, and it is only the prefix "ACTI" which is common to both marks;

6. Respondent-applicant's mark does not include a three-dimensional bottle, and figures such as opposer's blue hexagon, rectangle, green field, sun, red wave-like device and yellow curve;
7. It is incomprehensible, thus how opposer could suspect that purchaser would even begin to associate its three-dimensional bottle mark with respondent-applicant's word mark as the two marks are so different from each other that any association between the two is highly unlikely;
8. Based on the Holistic Test per the ruling in Philip Morris, Inc. v. Fortune Tobacco Corporation, 493 SCRA 33 [2006], opposer cannot just lift the "ACTIMEL" word from its "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" and compare it with respondent-applicant's mark, as Application Serial No. 4-2004-005486 which is the basis for the present opposition on not directed to a word mark but to the three-dimensional mark;
9. Opposer has been putting a lot of emphasis on the distinctiveness of its "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)", mark that there should be no reason for opposer to fear that the buyers of its goods bearing a highly distinct source indicator would think that respondent-applicant's goods bearing a different mark come from one and the same source;
10. Opposer does not have the right to exclusively appropriate the prefix "ACTI" and exclude others from using the same on combination with some other elements to comprise a composite mark; The protection sought by opposer in filing the application for the registration of its "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" is the exclusive right to use the combination of the following elements; the bottle, the word "DANONE" enclosed in a blue hexagon, the red wave-like figure under said word, the vertically positioned rectangle enclosing a representation of a green field and sun on a background below said hexagon the word "ACTIMEL" written sideways beside their two devices with the prefix "ACTI" in red and "MEL" in blue, and the yellow curve connecting the letters "A" and "L";
11. Contrary to its contention, opposer is not entitled to such broad legal protection as to encroach upon the rights of other trademark owners to use their own marks only by reason that said marks are similar to that of opposer's by a single element- the prefix "ACTI";
12. The prefix "ACTI" is used as a shortcut for the word "active" and is commonly used in combination with other words to form a new word such as respondent-applicant's "ACTISMILE" and number of marks, such as "ACTI-5", "ACTI-BROM"; "ACTI-FIT", "ACTI-FLORA", "ACTI-V", "ACTIBREV", "ACTI-CAP", and "ACTICIDE"
13. The combination of the prefix "ACTI" with the word "SMILE" produces different effects with the combination of the same "ACTI" prefix with the word "MEL" in terms of spelling and in terms of sound when the combinations are pronounced: "ACTISMILE" is pronounced longer than "ACTIMEL" because the dominant vowel in "ACTISMILE" is the long "I" or the diphthong "i" while "ACTIMEL" is pronounced shorter because the dominant vowel of its last syllable is short "e";
14. Opposer has not shown any evidence to substantiate that its "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" is well-known as required under Rule 102 of the Rules On Trademarks, Service Marks, Trade Names and marked or stamped containers;
15. Respondent-applicant is today world's leading and largest food conglomerate, and has established goodwill since it was founded in 1866;
16. Respondent-application does not need to "capitalize" upon the alleged renown of opposer's "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" mark and it neither needs the goodwill of any other company to promote its goods nor has to mislead the public into believing that goods originate from, or are licensed or Sponsored by another; it claims its goods through its well-known marks, counting to

More than 3,000 worldwide, which marks it selects and promotes so as to direct the Buyers to itself as the source of the goods;

17. Respondent-applicant's 'ACTISMILE' mark is its original creation, arbitrary to the goods covered, and was adopted by respondent-applicant independent of any existing trademarks of another;

18. Respondent-applicant has followed the company's policy or integrity and fairness and the regular course of actions adopted for all its marks such as filing and obtaining protection worldwide for them;

19. Respondent-applicant has filed applications and has obtained trademark registration for its "ACTISMILE" mark in a number of countries worldwide as shown by certificates of registration which belie opposer's contention against the registrability of respondent-applicant's 'ACTISMILE' mark;

20. Opposer filed to show the presence of the three elements of dilution, namely, 1) the trademark sought to be protected is famous and distinctive; 2) respondent-applicant's use of the subject mark began after opposer's mark, became famous; and 3) such subsequent use defames opposer's mark; and

21. The "ACTISMILE" word is a wholesome word: the ACTI prefix suggests something "active" and word "SMILE" connotes something good and healthy, and no amount of interpretation of the "ACTISMILE" mark will lead even to a tiny hint of malice, much more defamation against opposer's "ACTIMEL BOTTLE (TRIDIMENSIONAL TRADEMARK IN COLOR)" mark for which reason the third element of the aforesaid requirement would never be present.

The preliminary conference which was set on June 19, 2007 was terminated on the same day. Order No. 2007-1109 was issued giving the parties a non-extendible period of ten (10) days from receipt thereof within which to file their respective position papers and/or draft decisions. Opposer and Respondent-applicant respectively filed their position papers on July 12, 2007.

The issues to be resolved are as follows:

1. Whether the mark applied for by Respondent-applicant, "ACTISMILE", is Confusingly similar with opposer's "ACTIMEL" mark;
2. Whether opposer's "ACTIMEL" mark is well-known mark; and
3. Whether Respondent-applicant is entitled to the registration of the "ACTISMILE" mark.

There is no question that opposer's "ACTIMEL" mark is used on the same Classes of goods as those of Respondent-applicant's for which the "ACTISMILE" mark is sought to be registered: these are Classes 5, 9, 30, and 32 (Annex "A" of Exhibit "D" of Annex B of verified NOTICE OF OPPOSITION).

"The mark is a three-dimensional mark consisting of a white cylindrical bottle, showing, at the outer surface thereof, a blue and red wave logo with the word DANONE in white stylized lettering. Below the DANONE logo appears a rectangular device showing a blue field with an orange convex element on a green base. Along the length of the above designs is the word ACTMEL in red and dark blue stylized Lettering. An orange curve arches from the letter "A" to the letter L in ACTIMEL." Annex "B" of Exhibit "D" of Annex "B" of verified NOTICE OF OPPOSITION)

Opposer's mark is herein depicted:



Meanwhile, Respondent-applicant's "ACTISMILE" mark is herein shown:

ACTISMILE

Comparing opposer's "ACTIMEL" mark and Respondent-applicant "ACTISMILE" mark, this bureau rules that Respondent-applicant's "ACTISMILE" mark is not confusingly similar with opposer's "ACTIMEL" mark.

This bureau rules, in fact, that the two marks are so disparate or contradistinct that the possibility of one being mistaken for the other is remote or even nil, which also holds true as to the possibility that the goods of one party may likely be mistaken as the goods of the other party, or that the goods of one party may be likely be mistaken as being manufactured by the other party: Opposer's "ACTIMEL" mark refers to the totality of the three-dimensional bottle itself, including the color and shape of the bottle; the peculiar characteristics of the accompanying words/marks/figures/devices; and the colors of such words/marks/figures/devices while Respondent-applicant's "ACTISMILE" mark refers to a word mark without accompanying marks/figures/devices or other embellishments.

Opposer's mark does not consist only of a lone word mark "ACTIMEL" Rather, it consist of: 1) the word "ACTIMEL" the first two syllables "ACTI" being in red Times Roman-like font in lowercase except for the letter "A" and the last syllables "MEL" being in blue, slanted Arial-like font in lowercase; 2) the word "ACTIMEL" written vertically downwards with an orange line that arches above it 3) a white cylindrical bottle; 4) the word "DANONE" in white written above a red line and against a dark blue rectangular backdrop beside the letter "A" of the word "ACTIMEL"; 5) a rectangular device beneath the word "DANONE" in a color blue that fades downwards; 6) a green strip at the bottom of the rectangular device; and 7) a yellow half-moon-like figure above the green strip. Respondent-applicant's "ACTISMILE" mark, on the other hand, consist only of the word mark "ACTISMILE" in uppercase Helvetica-like font.

Whether the Dominancy Test or the Holistic Test is used to gauge if the respective marks are confusingly similar, this bureau rules that there is no confusing similarity.

Under the dominancy Test, the dominant features of the competing marks are considered in determining whether they are confusing similar. Greater weight is given to the similarity of the appearance arising from the adopting of the dominant features of the marks, disregarding minor differences. Aural and visual comparison and impressions created by the marks in the public mind are considered such the one mark may likely be confused as the other mark; the one's goods may likely be confused as the goods of the other and vice versa; and that the goods manufactured by one may likely be confused as having been manufactured by the other and vice versa, or that the public would likely be confused that there is one connection between opposer

and Respondent-applicant in terms of business which does not exist (McDonald's Corporation, et al. v. L. C. Mak Burger, Inc., et al. G. R. No. 143993, August 18, 2004; Societe De Produits Nestle, S. A., et al. v. Court of Appeals, et al., G. R. No. 112012, April 4, 2001).

In the case herein, the dominant feature of the competing marks is the words "ACTISMILE" and "ACTIMEL". A careful perusal and comparison of these words does not strike this bureau that they are confusingly similar. As observed earlier, the first two syllables in the "ACTIMEL" mark are "ACTI" which are in red Times Roman-like font in lowercase except for the letter "A" and the last syllable "MEL" is in blue, slanted Arial-like font in lowercase. Moreover, the word "ACTIMEL" is written vertically downwards with an orange line that arches above it. The "ACTISMILE" mark, on the other hand, consists only of the word mark 'ACTISMILE' in uppercase Helvetica-like font written horizontally. Visually, thus, they are different. Aurally, they are also different: "MEL" is pronounced differently and distinctly from "SMILE". "MEL" has a short "e" vowel while "SMILE" has a long "i" vowel.

Under the holistic Test, the entirety of the marks as they appear in the respective labels must be considered in relation to the goods to which they are attached in determining confusing similarity. The focus must not only be on the predominant words but also on the other features appearing in both labels (Fruit of The Loom, Inc. v. Court of Appeals, et. al., G. R. No. L-32747, November 29, 1984; Mead Johnson & Company v. s. N. V. J. Van Dorp, Ltd., et al., G. R. No. L-17501, April 27, 1963).

In the case at bench, the two competing marks much more do not even pass the holistic Test for them to be considered as confusingly similar. As discussed earlier in detail, opposer's mark consists of the totally of the three-dimensional bottle itself, including the color and shape of the bottle; the peculiar characteristics of the accompanying words/marks/figures/devices; and the colors of such words/marks/figures/devices while Respondent-applicant's "ACTISMILE" mark refers to a word mark without accompanying marks/figures/devices or other embellishments.

As to the first issue, then, this Bureau rules in the negative.

As to the second issue, this Bureau likewise rules in the negative.

Section 123 (e) provides that:

"SEC. 123 *Registrability* -123.1 A mark cannot be registered if it:

XXX

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in Philippines, whether or not it is registration here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, that in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;'

In the case herein, there is no substantial proof to show that opposer's mark is well-known in the Philippines: No evidences as to promotion or advertisements or sales invoices or sales receipts were offered to show that the mark was either advertised or used in the Philippines under Class 5, 29, 30, and 32 bearing opposer's mark, albeit over a period of time and in such scale that opposer's mark may be considered as well-known in the Philippines.

In the light of the discussion that opposer's mark is not well-known in the Philippines, discussion as to whether or not opposer's mark is well-known internationally has become moot and academic.

In view of the foregoing discussions, this bureau rules, thus, in the affirmative as to the third issue.

Consequently, Respondent-applicant is entitled to the registration of the mark "ACTISMILE".

WHEREFORE, the Notice of Opposition filed by Compagne Gervais Danone is, as it is, hereby DENIED. Consequently, Application Serial No. 4-2005-003001 for the mark "ACTISMILE" for goods under the following classes:

1. Class 5- dietetic foods and substances adapted for medical and clinical use; food and food substances for babies, infant and invalids; food and food substances for mothers adapted for medical use; nutritional and dietary supplements; vitamin preparations, mineral food preparations, agents assisting dental mineralization; medicated confectionery, preparations for dental hygiene, bactericidal preparations;
2. Class 29- vegetables and potatoes (preserved, dried or cooked), fruits (preserved, dried or cooked), mushroom (preserved, dried or cooked) meat, poultry, game, fish and seafood, all these products also in the form of extracts, soups, jellies, pastes, preserves, ready-made dishes, frozen or dehydrated; jams, eggs; milk; milk-based products, casein; whey; cream; butter; cheese and other food preparations having a base of milk; milk substitutes; milk-based beverages; milk-based and cream-based desserts; yoghurts; soya milk (milk substitute), soya-based preparation; edible oils and fats; protein preparation for human food; non-diary creamers; sausages; charcuterie peanut butter; soups; soup concentrates, both, stock cubes, bouillon consommés;
3. Class 30 – coffee, coffee extracts, coffee-based preparations and beverages' iced coffee; coffee substances. Extracts of coffee substitutes, preparations and beverages based on coffee substitutes; chicory; tea, tea extracts; tea based preparations and beverages; iced tea; malt-based preparations; cocoa and cocoa-based preparations and beverages; chocolate products, chocolate-based preparations and beverages; confectionery, sweets, candies; sugar; chewing gum, natural sweeteners;

Bakery products, bread yeast, pastry; biscuits, cakes, cookies, wafers, toffees, puddings; ice cream, water ices, sherbets, frozen confections, frozen cakes, soft ices, frozen desserts, frozen yoghurts; binding agents for making ice cream and/or water ices/or sherbets and/or frozen confections and/or frozen cakes and/or soft ices and/or frozen desserts and/or frozen yoghurts; honey and honey substitutes; breakfast cereals, muesli, corn flakes, cereal bars, ready-to-eat cereals, cereal preparations; rice; pasta, noodles; foodstuffs having a base of rice, of flour or of cereals, also in the form of ready-made dishes; pizzas, sandwiches, mixtures of alimentary paste and oven-ready prepared dough; sauces; soya sauce; ketchup; aromatizing or seasoning products for food, edible spices, condiments, salad dressings, mayonnaise; mustard, vinegar; and
4. Class 32 – still water, effervescent water or carbonated water, processed water, spring water. Mineral water, flavoured water; fruit-flavored and fruit-based beverages, Fruit and vegetable juices, nectars, lemonades, sodas and other non-alcoholic Beverages; syrups, extracts and essences and other preparations for making non-Alcoholic beverages (except essential oils); lactic fermented beverages, casein-based Beverages, whey-based beverages, soya-based beverages; malt-based beverages; Isotonic beverages.

filed on April 4, 2005 by Societe Des Produits Nestle, S.A. is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of ACTISMILE subject matter of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Decision.

SO OREDERD.

Makati City, August 31, 2007

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal affairs