

HARMAN FOODS (PHIL.) INC.,
Opposer,

INTER PARTES CASE NO. 3883
Opposition to:

- versus-

Serial No.76269
Filed: May 13, 1991
Trademark: "NESTEA"

SOCIETES DES PRODUITS
NESTLE S.A.,
Respondent-Applicant.
x-----x

DECISION NO. 97-18

DECISION

Harman Foods (Phil.) Inc. is a Philippine corporation with business address at # 574 EDSA, Caloocan City, Metro Manila. It filed the present opposition to the trademark application for "NESTEA" by herein Respondent-Applicant Societe des Produits Nestle S.A., a corporation organized and existing by virtue of the laws of Switzerland on the ground that the mark NESTEA is deceptively misdescriptive if applied to goods other than tea and that the registration of the same will cause irreparable damage and injury to herein Opposer who has a pending application for the mark "ZESTEA". The application was filed by Respondent on May 31, 1991 which covers fruit juices, non-alcoholic beverages, syrups, extracts and essences for making non-alcoholic beverages. The subject application was published on page 37, Volume V, No. 6 of the BPTTT Official Gazette released on January 21, 1993.

The said mark "Nestea" is registered under the name of Respondent in Switzerland with Registration No. 333121 issued on July 3, 1984 and is still in full force and effect, Registration No. 333121 covers international classes 29, 30, 31 and 32 (for pasta, noodles, spaghetti, etc., rice and rice meals, cereal milling preparations [other than foodstuffs for animals], vegetables, fruits, meat fish, poultry, all the aforesaid products also in the form of cooked dishes and frozen or dehydrated preserves. Fresh milk or preserved milk, dairy products in powder form, substitutes for dairy products, yogurts, custard products made from milk; edible fats and oils; eggs; jams, products for spreading on bread, made from milk, sugar, fruits, meat or fish; soups, broths. Cocoa, chocolate, sweets and sweetmeats, honey and substitutes for honey, sugar; confectionery and pastry items, desserts, puddings-, edible ices and edible ice-preserves; powders and essences for preparing edible ices; tea and tea extracts; coffee and coffee extracts; coffee substitutes and extracts of coffee substitutes; sauces, products for flavouring and seasoning foods, spices, Fruit juices, non-alcoholic drinks, syrups, extracts and essences for making nonalcoholic beverages).

In the Philippines, Respondent is the owner of the trademark 'Nestea' under Certificate of Registration No. 2653 (Exhibits "3" to "3-F") issued on February 6, 1971 which was later renewed on February 6, 1991 under Regn. No. R-1087 for powdered soluble tea extracts blended with carbohydrates.

After holding the Pre-Trial Conference without any amicable settlement having been reached by the parties, trial on the merits was held. After several resettings, Harman was able to present its lone witness, one Mr. Alfredo Yao, on 21 April 1994. In its pending application, herein Opposer asserts that it first used the mark "Zestea" on April 1, 1971.

During the trial, Harman admitted in its Notice of Opposition that it is a party-defendant in a case for infringement of trademark and unfair competition with damages docketed as Civil Case No. 18-M-93 and filed with the Bulacan Regional Trial Court by herein Respondent Societe. The case was filed due to the unauthorized use of Harman's "ZESTEA" name vis-a-vis respondent-applicant's already registered "NESTER" mark. Likewise, Societe and its licensee,

Nestle Philippines Inc. filed Opposition cases against Harman for applying for registration its mark "ZESTEA" which is allegedly confusingly similar to Societe's "NESTEA" docketed as Inter Partes Case Nos. 3937 and 3950.

The primary issues to be resolved in the case at bar are:

- a.) Whether or not Opposer will be damaged and prejudiced by the registration of the mark NESTEA in the name of Respondent-Applicant, and
- b.) Whether or not the mark NESTEA is deceptively misdescriptive if applied to goods other than tea and is therefore proscribed by Section 4(e) of Republic Act No. 166.

A perusal of the records of the case reveal some interesting points this Office finds peculiar and rather interesting to raise. Firstly, in its application for trademark registration, herein Opposer alleged April 1, 1971 as its date of first use of the mark. Interestingly enough, its own and sole witness testified otherwise. As shown in the stenographic notes dated April 21, 1994, page 8 thereof, Mr. Yao testified that Harman first use the mark "ZESTEA" in 1989 and not on April 1, 1971 as alleged in their application for registration.

Therefore, in point of time, Respondent appears to be the first owner of the mark NESTEA for non-alcoholic beverages as it has registered the mark NESTEA in the Philippines as early as 6 February 1971 under Registration No. 2653 which was later renewed on 6 February 1991 under Registration No. R-1087.

Will Opposer be prejudiced and damaged in the event the registration of the mark "NESTEA" of Respondent be given due course? We do not think so. Societe has registered its mark 1971 for powdered soluble tea extracts blended with carbohydrates. Its application for registration now which seeks to cover other related products is but an exercise of its right to property and an earnest effort to protect the goodwill which it has established through the years of constant advertising and promotions.

From this alone, it can be gathered that there can be no reason why Opposer will be damaged and prejudiced by the said registration since our Trademark Law protects the rightful owner of the trademark, being the first to use and register the mark in the country of protection. The logic to be considered in this point is, if the mark Nestea enjoys prior use in the Philippines even before the mark Zestea of Opposer was marketed and publicly sold here, then there is no ground for Opposer's claim that it will be prejudiced and damaged by the registration of the former. The same defies logic and common sense. Evidently, there are marked similarities between "NESTEA" and "ZESTEA" not just in sounds in pronouncing the two marks and the products to which both are attached, but also in the packaging and presentation of the labels. Both marks bear the suffix "TEA" and are almost the same in spelling except for the first letter. Both are used on lemon iced tea products and are packed in foil packaging with drawings of water splashing and a lemon. These considerations, however, are more aptly applied had it been the Opposer who first used the mark in the country and is thus entitled to the protection of our Trademark Law. From the foregoing, it can be concluded that if there is anyone who stands to be damaged or injured, it is Respondent-Applicant since it is the prior user of the mark.

Furthermore, the fact that there is now an ongoing trial for infringement between the same parties lodged in another forum is of no moment to this Office. It is not one of the considerations or factors that will support the denial or rejection of an application. Hence, the point raised by Opposer in this regard is totally irrelevant and immaterial to the issue of registrability of marks.

Furthermore, in its Opposition, Opposer himself recognizes Respondent's prior use of its mark which has earned and established goodwill, to wit:

“(2) Respondent-Applicant's mark is a combination of the words “NEST” (taken from its name “NESTLE” and “TEA” which is the lone product covered by its earlier Registration No. 2653 way back on February 6, 1951. Through years of exclusive and continuous use of the mark for “tea” Respondent-Applicant's mark has long acquired a secondary meaning for this product alone which the consuming public readily identifies and recognizes to be so. Consequently, the use of the mark for products other than tea or its variations makes it deceptively misdescriptive thereof”

The Supreme Court in the case of Arce Sons and Company vs. Selecta Biscuits Co., Inc. 1 SCRA 253 elucidated the term “Secondary Meaning”:

“A word or phrase originally incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used for so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase has come to mean that the article was his property. This is the rule as to secondary meaning. Thus, the word “Selecta” may be an ordinary or common word in the sense that it may be used or employed by anyone in promoting his business or as a badge of authenticity, it may acquire a secondary meaning as to be exclusively associated with the user's products and business.”

Another jurisprudence which supports this view is the case of Philippine Nut Industry, Inc. vs. Standard Brands, Inc. 65 SCRA 575, to wit:

“The court, applying the doctrine of secondary meaning ruled that while PLANTERS is an ordinary word, because of its use by Standard Brands for its canned salted peanuts since 1938 in the Philippines, it has become a distinctive mark or symbol insofar as salted peanuts are concerned, and by priority of use, Standard Brands has acquired a preferential right to its adoption as its trademark warranting protection against its appropriation by another.”

From the cases above-quoted, it is very apparent that the doctrine of Secondary Meaning cannot be used as a ground to deny or reject the application of herein Respondent. As admitted by Opposer in his Notice of Opposition, the mark “NESTEA” has acquired secondary meaning. However, his allegation that the mark has become deceptively misdescriptive because the consuming public has identified the mark as pertaining exclusively to its iced tea products is misplaced and does not merit this Office's consideration. The doctrine of secondary meaning has been integrated in our Trademark Law specifically to protect the owner of the mark and the goods he produces and not to limit its area of potential or reasonable expansion to what could otherwise be within the scope of protection. What the public has identified in their minds is that the goods bearing the mark is the exclusive property of its registered owner. This doctrine cannot be applied to work against the interest of the registrant who has invested large amounts of money to promote and advertise its trademark and products.

Section 4 of Republic Act No. 166 provides in part:

“(e) Consists of a mark or trade name which, when applied to or used in connection with the goods, business or services of the applicant is merely descriptive or deceptively misdescriptive of them, or when applied to or used in connection with the goods, business or service of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or is primarily merely a surname.”

To be deceptively misdescriptive, a mark should be characterized with misleading characters. Under the circumstances, can the mark “NESTEA” if applied to goods other than tea be considered deceptively misdescriptive? This Office rules in the negative. Firstly, there is nothing in the mark which is misdescriptive or misleading. The mark does not consist of the word tea alone. It is a composite mark which is a combination of the first three letters of the word

"Nestle" and "tea" hence, taken together it conveys or connotes a different meaning. Secondly, the fact that Respondent has established tremendous goodwill on the mark "NESTEA" cannot serve to work against its right to be protected in the goods it desires to produce which are still within the area of reasonable and logical expansion.

WHEREFORE, in view of the foregoing considerations, the Opposition filed by herein Opposer Harman Foods (Phils.) Inc. against the application of Respondent for the mark "NESTEA" is, as it is, hereby DENIED for lack of merit. Consequently, the application of Respondent Societe Des Produits Nestle, Inc. for the said mark which covers fruit juices, non-alcoholic beverages, syrups, extracts and essences for making non-alcoholic beverages bearing Application Serial No. 76269 is hereby GIVEN DUE COURSE.

Let the filewrapper of this case be forwarded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision. Furthermore, let a copy of this Decision be furnished the Trademark Examining Division for information and to update of its record.

SO ORDERED.

29 December 1997. Makati City,

EMMA C. FRANCISCO
Director