PEPSICO, INC.,
Opposer,

- versus -

PINNACLE FOODS, INC.,
Respondent-Applicant.
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IPC No. 14-2008-00089
Case Filed: 18 April 2008
Opposition to:

Appl'n Serial No. 04-2006-001490
Date Filed: 09 February 2006
Trademark: "FRITITO"

Decision No. 2010-56

DECISION

PEPSICO, INC. ("Opposer"), a corporation of the State of Delaware, United States of America, with principal offices at 700 Anderson Hill Road, Purchase, New York, U.S.A, filed on 18 April 2008 an opposition to Trademark Application Serial No. 4-2006-001490. The application filed by PINNACLE FOODS, INC. ("Respondent-Applicant"), with address at No. 270 Hulo Street, Barangay Bignay, Valenzuela City, Philippines, covers the mark "FRITITO" for use on "coffee, tea, sugar, rice tapioca, sago, coffee substitute, flours preparation made from cereals, bread, biscuits, crackers, cakes, baking powder, confectionery, ices, honey, treacle, yeast, sauces, spices", which fall under Class 30 of the International Classification of goods.[1] The application was published for opposition in the Intellectual Property Philippines E-Gazette.[2]

The Opposer alleged the following:

"1. Opposer, PEPSICO, Inc., is the registered owner of the following trademarks in the Philippines, to wit:

Trademark	Registration No.	Registration	Date Class
FRITOS	4-2003-005959	January 8, 2007	30
FRITOS	66778	December 8, 1998	25
FRITOLAY & DESIGN	4-1999-008340	June 8, 2006	29, 30
TOSTITOS	4-1997-127454	September 18, 2004	30
TOSTITOS	4-1997-127455	December 25, 2005	29
DORITOS & LOGO	4-2002-000988	December 18, 2006	30

"2. Opposer has likewise a pending application for registration of the mark DORITOS & Design filed May 3, 2006 under Application No. 4-2006-004647.

"3. Opposer and/or its wholly owned affiliate companies, FRITO-LAY, INC., and FRITO-LAY NORTH AMERICA, INC., have registered the trademarks FRITOS, FRITOLAY, TOSTITOS and DORITOS in the United States of America and many other countries of the world.

"4. Opposer has widely used the marks FRITOLAY, FRITOS, TOSTITOS and DORITOS and distributed its products using the marks FRITOLAY, FRITOS, TOSTITOS and DORITOS throughout the world and the same are widely known around the world to be exclusively owned by the Opposer. Hence, registration of the similar mark FRITITO in the name of Respondent-Applicant is contrary to the clear provisions of Article 6bis of the Paris Convention for the Protection of Industrial Property (Lisbon Revision) and the pertinent provisions of the GATTTRIPS Agreement both of which the Philippines is a signatory, and which are being

1 The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes o the Registration of Marks concluded in 1957
2 IPP E-Gazette, officially released on 21 December 2007.

enforced in this jurisdiction by virtue of Section 123 (d), (e) and (f) of the Intellectual Property Code (R.A. No. 8293), which provide that:

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 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;

(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 the Philippines, whether or not it is registered 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;

(f) 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;

"5. The Respondent-Applicant's mark FRITITO is confusingly similar to the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS owned by Opposer as to be likely, when applied to or used in connection with Respondent-Applicant's goods, to cause confusion or mistake and deceive the public or the public may be led to believe that the goods of Respondent-Applicant is owned by Opposer or originated from or sponsored by the Opposer. Thus, the application for registration of the mark FRITITO in the name of Respondent-Applicant should not have been given due course and rejected outright not only because Respondent-Applicant's Application No. 4-2005004067 has already been proscribed by Opposer's prior registration for similar marks under Section 123.1 (d) but also because Opposer's marks FRITOS, FRITOLAY, TOSTITOS and DORITOS is a world famous mark which is protected by Section 123.1 (e) and (f) of the Intellectual Property Code.

"6. The registration of the mark FRITITO in the name of Respondent-Applicant will cause grave and irreparable injury and damage to the Opposer within the meaning of Section 134 of Republic Act No. 8293.

"The Opposer herein will rely on the following facts to support its opposition, reserving the right to present additional evidence as to other facts as may be necessary in the course of this proceeding depending upon the evidence that may be adduced by Respondent-Applicant.

a. Opposer PEPSICO, INC., is the registered owner of the following trademarks in the Philippines, to wit:

Trademark	Registration No.	Registration Date	Class
FRITOS	4-2003-005959	January 8, 2007	30
FRITOS	66778	December 8, 1998	25

FRITOLAY & DESIGN	4-1999-008340	June 8, 2006	29, 30
TOSTITOS	4-1997-127454	September 18, 2004	30
TOSTITOS	4-1997-127455	December 25, 2005	29
DORITOS & LOGO	4-2002-000988	December 18, 2006	30

b. Opposer likewise has a pending application for registration of the mark DORITOS & Design in the Philippines filed May 3, 2006 under Application No. 4-2006-004647.

c. Opposer and/or its wholly owned affiliate companies FRITO-LAY, INC., and FRITO-LAY NORTH AMERICA, INC., have registered the trademarks FRITOS, FRITOLAY, TOSTITOS and DORITOS in the United States of America and many other countries of the world.

d. In the U.S.A., the mark FRITOS was first used and adopted by Opposer on March 27, 1932; the mark FRITOLAY in 1968; the mark TOSTITOS as early as November 28, 1977; and the mark DORITOS on November 12, 1986.

e. Opposer has used the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS for its products throughout the world, including the Philippines, making the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS well known around the world, including the Philippines.

f. The Respondent-Applicant's mark FRITITO is confusingly and deceptively similar to Opposer's marks FRITOS, FRITOLAY, TOSTITOS and DORITOS because Respondent-Applicant conveniently copied and combined the essential elements of Opposer's marks, i.e. The letters of the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS and made them the dominant elements of its FRITITO mark.

g. Moreover, Respondent-Applicant's mark FRITITO is used on goods similar or closely related to the goods covered by the Opposer's marks FRITOS, FRITOLAY, TOSTITOS and DORITOS.

h. The uncanny similarity in the mark and the use of Respondent-Applicant's mark make it very obvious that Respondent-Applicant is riding on the international popularity of Opposer's marks FRITOS, FRITOLAY, TOSTITOS and DORITOS and is passing its goods as those of the Opposer.

i. Opposer has spent large sums of money for advertising and popularizing its products using the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS, which coupled with Opposer's long use and unblemished and esteemed public refutation as manufacturer and distributor of superior and high quality food and beverages, has generated and established an immense and valuable goodwill for its marks FRITOS, FRITOLAY, TOSTITOS and DORITOS the world over.

j. Moreover, the use and registration of the mark FRITITO by Respondent-Applicant will likely cause the dilution of the advertising value of Opposer's marks FRITOS, FRITOLAY, TOSTITOS and DORITOS and the excellent image of the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS and will surely weaken its power of attraction.

k. Under the circumstances, the use and registration of the mark FRITITO by Respondent-Applicant will amount to a violation of Opposer's proprietary rights over the marks FRITOS, FRITOLAY, TOSTITOS and DORITOS, will cause great and irreparable injury to Opposer and will likely prejudice the public who might mistakenly believe that Respondent-Applicant's goods are those of the

Opposer's or sponsored by Opposer, or originated from or are related to Opposer herein."

The Opposer's evidence consists of the following:

1. Exhibits "A", "B", "C", "D", "E" and "F" - Certified true copies of the Certificates of registration in the Philippines for the trademarks "FRITOS", "FRITOLAY", "TOSTITOS" and "DORITOS" of the Opposer;

2. Exhibit "G" - Certified copy of the Trademark Application No. 4-2006-004647 filed in the Intellectual Property Office of the Philippines;

3. Exhibit "H" - List of Registration of trademarks FRITOS, FRITOLAY, TOSTITOS and DORITOS in other countries in the name of PEPSICO, INC.; and

4. Exhibits "I","J", "K" and "L"- sample product packaging labels.

This Bureau issued a Notice to Answer on 13 May 2008 and served a copy thereof upon the Respondent-Applicant. The Respondent-Applicant, however, did not file its Answer. Hence, Rule 2, Section 11 of the Regulations on Inter Partes Proceedings, as amended, provides:

Section 11. *Effect of failure to file an Answer*. -In case the Respondent-Applicant fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The issues to be resolved in this case are the following:

1. whether the Opposer's marks are well-known, and
2. whether the Respondent-Applicant's mark should be registered.

On the first issue of whether the Opposer's mark is well-known, Rule 102 of the Trademark Regulations, provides:

Rule 102. *Criteria/or 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 a well-known mark.

This Bureau finds that the Opposer failed to submit evidence that would clearly establish that its marks are internationally well-known under Rule 102 of the Trademark Regulation. While the Opposer submitted a list of worldwide applications and registrations of its trademarks,[3] it did not submit certified true copies of the certificates of registration.

Going now to the second issue, it is emphasized that the essence of trademark registration is to give protection to the owner of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a 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 manufacturer against substitution and sale of an inferior and different article as his products.[4] Uncorroborated, the list is deemed self-serving

Thus, Section 123.1 (d] of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), provides that a mark cannot be registered if it:

(d) Is identical with a registered mark belonging to a different proprietor or 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;

The Opposer submitted evidence that its mark FRITOS was first used and adopted on 27 March 1932, the mark FRITOLAY in 1968, the TOSTITOS as early as 28 November 1977; and the mark DORITOS on 12 November 1996[5].

In the Philippines, the Opposer's mark FRITOS was filed for registration on 4 July 2003 and "matured" into Registration No. 4-2003-005954, issued on 08 January 2007. The mark FRITOLAY and Design, meanwhile, was the subject of the Opposer's application filed on 28 October 1999. The mark was registered on 08 June 2006. The Respondent-Applicant's application, on the other hand, was filed only on 09 February 2006.

The Opposer's marks are used on goods under classes 29 and 30 namely ready to eat snack foods consisting primarily of potatoes, nuts, other fruits or vegetable materials or combinations thereof including potato chips, potato crisp, taro chips; fried pork snacks, beef jerky, beef sticks, snack food dips and chili, and grains, corn chips, tortilla chips, rice chips, cracker, pretzels, puffed and extruded snacks and others (Exhibit "C"). The Respondent-Applicant's mark covers the goods under Class 30, namely coffee, tea, sugar, rice, tapioca, sage, coffee substitute, flour and preparation made from cereals, bread, biscuits, crackers, cakes,

3 Exhibit " H"
4 Pribhdas J. Mirpuri v. Court of Appeals, G.R.No.114508, 19 November 1999,citing Etepha v. Director of Patents,16 SCRA 495.
5 Paragraph number 7 of the Affidavit of Joseph J. Ferretit, executed on 13 March 2008 at Plano, Texas, United States of America.

pastry and confectionery, ices, honey, treacle, yeast, baking powder; salt mustard, vinegar, sauce, ice. The Supreme Court in *Esso Standard Eastern Inc. v. Court of Appeals et al.* held:

> "Goods are related when they belong to the same class or have the same attributes or essential characteristics with reference to their form, composition, texture and quality. They may also be related because they serve the same purpose or are sold in grocery store. x x x"

This Bureau finds that the goods covered by the Respondent-Applicant's mark are similar and/or closely related to the Opposer's. The Respondent-Applicant's goods include ready to eat snack foods, and beverages and condiments that complement, and ingredients that are used in making snack foods.

The question now is: Does the Respondent-Applicant's mark resemble the Opposer's marks, as shown below, such that confusion or deception is likely to occur?

Respondent-Applicant's mark

The Respondent-Applicant mark is obviously similar, in looks and in sound, to the Opposer's marks FRITOS. The first syllable "FRI" in the Respondent-Applicant's mark is exactly the same with the first syllables in the Opposer's marks. The last syllable "TOS" in the opposed trademark, on the other hand, is practically the same as in the Opposer's, the distinction being only the appendage or the lack of the letter "S", The Respondent-Applicant's mark, in fact, is a play of words involving the Opposer's marks FRITOS and TOSTITOS,

In this regard, the essential element of infringement is "colorable imitation." This term has been defined as "such a close or ingenious imitation as to be calculated to deceive ordinary purchasers, or such resemblance of the infringing to the original as to deceive the ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one supposing it to be the other.[6] In Philippine Nut Industry, Inc., v. Standard Brands, Inc.[7] the Supreme Court ruled:

> "There is infringement of trademark when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity."

6*Emerald Garment Manufacturing Corporation* v, *Court of Appeals 251SCRA600) [G. R. No. 100098, December 29, 1995].*
7 65 SCRA 575

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the opposition is, as it is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2006-001490 together with a copy of this DECISION be returned to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 29 July 2010.

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office