IP PHL
INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES

NATURE'S HARVEST CORPORATION, Opposer,	}	**IPC No. 14-2011-00488**
	}	Opposition to:
	}	Appln No. 4-2011-500184
	}	Date Filed: 09 February 2011
-versus-	}	**TM: "MAGIC SABAW"**
SOCIETE DES PRODUITS NESTLE S.A., Respondent-Applicant.	}	

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NOTICE OF DECISION

MIGALLOS & LUNA LAW OFFICES
Counsel for the Opposer
7th Floor, The Phinma Plaza
39 Plaza Drive, Rockwell Center
Makati City

BENGZON NEGRE UNTALAN
INTELLECTUAL PROPERTY ATTORNEYS
Counsel for Respondent-Applicant
G/F Chemphil Building
Second Floor, SEDCCO Building
120 Rada Street, Makati City

GREETINGS:

Please be informed that Decision No. 2016 - 14 dated January 14, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 14, 2016.

For the Director:

Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs

NATURE'S HARVEST CORPORATION,
Opposer,

-versus-

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

IPC No. 14-2011-00488

Opposition to Trademark
Application No. 4-2011-500184
Date Filed: 09 February 2011
Trademark: **MAGIC SABAW**

Decision No. 2016-14

DECISION

Nature's Harvest Corporation[1] ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-500184. The contested application, filed by Societe Des Produits Nestle S.A.[2] ("Respondent-Applicant"), covers the mark "MAGIC SABAW" for use on *"soups and preparations for making soups, broth, stock cubes, bouillon, consommés, using granulated, dehydrated powder, extracts and paste of: vegetables and potatoes (preserved, dried or cooked), fruits (preserved, dried or cooked), mushrooms (preserved, dried or cooked), meat, poultry, game, fish and seafood, jams; eggs; milk, cream, butter, cheese and other food preparations having a base of milk and cream-based desserts; yoghurts; soya milk (milk substitute), soya-based preparations; edible oils and fats; protein preparations for human food, non-dairy creamers; sausages; charcuterie; peanut butter"* and *"aromaising or seasoning products for: food such as 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; and additive to edible spices and sauces such as soya sauce; ketchup; condiments; salad dressings, mayonnaise; mustard; vinegar"* under Classes 29 and 30, respectively, of the International Classification of Goods[3].

The facts according to Opposer are as follows:

> "2.1 Nature's Harvest is in the business of marketing, advertising, distributing and selling cooking oil in the Philippines under the 'MAGIC FRY' trademark since 1989. The said trademark was registered before the then Bureau of Patents, Trademarks and Technology Transfer ('BPTTT') as early as 13 May 1991. x x x
>
> 2.2 Sometime in 2008, Nature's Harvest discovered that the said trademark registration for MAGIC FRY was cancelled. Nature's Harvest thus re-filed a trademark

[1]A corporation duly organized and existing under and by virtue of the laws of Delaware, United States of America, with business address at Suite 2925, 707 17th Street, Denver, CO 80202, USA.
[2]With known address at P.O. Box 957, Offshore Incoporations Centre, Road Town Tortola, British Virgin Island.
[3]The 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.

application for the said trademark, which was again registered on 22 September 2008. x x x

2.3 The MAGIC FRY COOKING OIL of Nature's Harvest gained popular acceptance in the market and has established goodwill among ordinary purchasers of cooking oil and institutional consumers like hotels, restaurants, factories, etc.

x x x

2.4. Nature's Harvest sold and sells its MAGIC FRY cooking oil in, among others, seventeen (17) kilogram containers net weight i.e. the total weight excluding the one-kilogram container. This is in accordance with industry practice where the weight of the contents is indicated.

2.5 In early 2000, some competitors of Nature's Harvest started marketing and selling cooking oil with sixteen (16) kilogram net weight, at a lesser price. This was eventually accepted by the market.

2.6 As a marketing strategy, in order to capture what became a sixteen (16) kilogram market, Nature's Harvest started marketing and selling a sixteen (10) kilogram net cooking oil. However, in order not to confuse the market considering that Nature's Harvest still sold its seventeen (17) kilogram net cooking oil under the MAGIC FRY trademark, Nature's Harvest marketed and sold its sixteen (16) kilogram net cooking oil under a derivative trademark, 'MAGIC'.

2.7 The MAGIC trademark, like the registered MAGIC FRY trademark, has gained recognition and established goodwill in the market. It became very ordinary or common for customers of Nature's Harvest to order 'MAGIC' cooking oil from it. Nature's Harvest therefore filed before the Intellectual Property Office on 11 February 2008, Trademark Application No. 4-2008-001657 for registration of MAGIC as a separate mark. x x x

2.8 Nature's Harvest has clearly exerted substantial efforts and has spent substantial amounts in the use and promotion of the 'MAGIC FRY' and 'MAGIC' trademarks.

2.9 Nature's Harvest discovered that Nestle filed on 9 February 2011, a trademark application for registered of the mark 'MAGIC SABAW' in Classes 29 and 30.

2.10 The 'MAGIC SABAW' mark of Nestle is confusingly similar to Nature Harvest's registered 'MAGIC FRY' trademark. It is also confusingly similar to the 'MAGIC' trademark covered by opposer's pending trademark application which was filed much earlier than the application of Nestle for 'MAGIC SABAW'.

2.11 Nestle cannot deny such confusing similar, consider that on 19 December 2008, Nestle filed a Verified Notice of Opposition against the above-stated trademark application of Nature's Harvest for registration of 'MAGIC'. Nestle in its Opposition asserted that the 'MAGIC' trademark of Nature's Harvest is confusingly similar with Nestle's 'MAGGI' mark. x x x

Indeed if 'MAGGI' is allegedly confusingly similar to 'MAGIC', the mark 'MAGIC SABAW' is certainly confusingly similar to opposer's 'MAGIC FRY' and 'MAGIC' trademarks.

2.12 Also, Nestle previously filed an application for the registration of its mark 'MAGIC RICE' on 27 January 2010 which Nature's Harvest opposed 2 November 2010 due to its confusing similarity with 'MAGIC FRY' and 'MAGIC' trademarks. x x x

2.13 Without filing any Answer to the Opposition, Nestle withdrew its application on 10 February 2011 and filed a Manifestation on 9 March 2011 requesting that the Opposition be dismissed due to Nestle's withdrawal of its application. On 24 March 2011, the IPO's Bureau of Legal Affairs issued an Order No. 2011-14(D) dismissing the Opposition due to Nestle's withdrawal of its application. The IPO likewise issued an Entry of Judgment/Execution of Order dated 25 May 2011. x x x

2.14 It is clear why Nestle opposed the application for registration of Nature Harvest's 'MAGIC trademark, notwithstanding the clear difference between 'MAGIC' and 'MAGGI'. Nestle was paving the way for the filing of its application for registration of 'MAGIC SABAW' and 'MAGIC RICE'."

On the other hand, Respondent-Applicant asserts that:

'I. THE RESPONDENT-APPLICANT'S TRADEMARK 'MAGGI' IS INTERNATIONALLY WELL-KNOWN AND POPULAR BRAND IN THE PHILIPPINES.
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7. Respondent-Applicant is the owner of the international well-known 'MAGGI' trademark. Respondent-Applicant is also the owner of several registered MAGGI derivative marks. Particularly, the Respondent-Applicant is the owner and applicant for the following marks to wit:

a. 'MAGIC SARAP' – Registration No. 4-2004-007824 issued on January 21, 2006;
b. 'MAGIC SINIGANG' – Registration No. 4-2009-500291 issued on January 01, 2010; and
c. 'MAGIC SABAW' – Application No. 4-2011-500184 filed on February 9, 2011.

x x x

The trademark 'MAGGI' which Respondent-Applicant adopted and exclusively owned is internationally well-known. Opposer's 'MAGGI' mark has obtained trademark registrations and pending applications for trademark registration in more than one hundred eighty (180) countries around the world such as the Philippines, Malaysia, China, Taiwan, Thailand, United States of America, United Kingdom, Switzerland, Germany, Australia, Japan, Jordan, Kuwait, Italy, Iran, Brunei, Mexico, South Korea, India, among many others. x x x

8. More than 7 billion 'MAGGI' bouillon cubes, 1.2 billion packets of 'MAGGI' noodles and 700 million packets of 'MAGGI' soup are consumed annually globally

including the Philippines. These only pertain to three of the many other wide ranges of 'MAGGI' products.

9. Opposer's 'MAGGI' trademark has further expanded during the last five decades in terms of its geographical standpoint and product segments. Specifically, in terms of geography, the 'MAGGI' mark is literally used in all member states of the European Union. Also, the 'MAGGI' brand made substantial growth and exposure in Asia, Oceania and Africa. On the other hand, in terms of products, the mark 'MAGGI' has expanded to other segments such as chilled and frozen food and culinary products as well as 'out-of-home' food segment intended for chefs, restaurants and catering services. It is, thus, reaching to a very broad spectrum of consumers.

10. The trademark 'MAGGI' is one of Respondent-Applicant's most valuable brands it has become part of the national culture in its established markets. Respondent-Applicant's 'MAGGI' mark has been advertised through all relevant media intensively during a long period of time. As early as the 1900, almost all relevant consumers were aware of the 'MAGGI' trademark.

Under Section 123.1 (e) and (f) of the IP Code, an internationally well-known mark may not be appropriated for use and registered in the Philippines by any other person other than the owner of said internationally well-known mark, to wit: x x x

11. As Respondent-Applicant's 'MAGGI' mark is well-known internationally and in the Philippines, it is clearly implied that it is Respondent-Applicant alone has the right to file trademark applications bearing identical or similar terms like 'MAGIC' as others are clearly barred under Section 123.1 (e) of the IP Code from registering marks identical or confusingly similar to a well-known mark.

II. RESPONDENT-APPLICANT IS THE EXCLUSIVE OWER OF THE 'MAGIC SARAP' AND 'MAGIC SINIGANG' DERIVATIVE MARKS.

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12. Respondent-Applicant is also the registered owner of the various MAGGI 'MAGIC' derivative marks in the Philippines.

Respondent-Applicant was the first to adopt and register the MAGGI 'MAGIC SARAP' derivative trademark in the Philippines under Registration No. 42004007824 filed on August 24, 2004 and on January 21, 2006 for seasoning products, etc. under Class 30.

13. Respondent-Applicant's various MAGGI 'MAGIC' derivative marks have been used, promoted and advertised for a considerable duration of time and over wide geographical areas. Since their first use, Respondent-Applicant has invested significant amount of resources in the promotion of its trademarks 'MAGGI' and the various MAGGI 'MAGIC' marks. Thus the relevant public sector has identified the goods using Respondent-Applicant's various MAGGI 'MAGIC' marks, including the assailed 'MAGIC SABAW' mark to belong to the Respondent-Applicant only. The MAGGI 'MAGIC' arks have become very popular brands of the Respondent-Applicant in the Philippines.

14. Respondent-Applicant's 'MAGIC SABAW' mark is but an addition to these various registered MAGGI 'MAGIC' marks.

III. As Opposer's 'MAGIC FRY' mark was cancelled, it may no longer be used as basis for the present Opposition.

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15. As the Opposer's 'MAGIC FRY' trademark was cancelled and was only renewed sometime in 2008, Respondent-Applicant, by virtue of its MAGGI 'MAGIC SARAP derivative mark, which was registered on January 21, 2006, may not be prevented from registering its MAGGI 'MAGIC SABAW' trademark. Apparently, Respondent-Applicant has obtained the better right over the MAGGI 'MAGIC" marks. since Opposer's 'MAGIC FRY' trademark was cancelled while Respondent-Applicant's several 'MAGGI' and registered MAGGI 'MAGIC' marks remain valid and subsisting, Opposer has lost all rights to claim ownership over its marks.

IV. OPPOSER IS ESTOPPED FROM ASSAILING RESPONDENT-APPLICANT'S MAGGI 'MAGIC SABAW' DERIVATIVE MARK.

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16. Likewise, Respondent-Applicant Moreover, even if assuming arguendo that Opposer's MAGIC FRY trademark has a better right to the exclusive use and appropriation of future trademark applications which bear the term 'MAGIC' under the equitable principle of estoppel. While Opposer claims to have registered its 'MAGIC FRY' sometime in May of 1991, it did not oppose the 2006 and 2010 registration of Respondent-Applicants various registered MAGGI 'MAGIC' marks. When Opposer failed to oppose the registration of the various MAGGI 'MAGIC' marks, Opposer has, therefore, ceded to the Respondent-Applicant the right to use, appropriate and register future trademark applications for Respondent-Applicant's various MAGGI 'MAGIC' marks. The Opposer slept on its right to question Respondent-Applicant's ownership of the various MAGGI 'MAGIC' derivative marks."

The Preliminary Conference was initially scheduled on 05 November 2013 wherein only counsel for Opposer was present and asked for a resetting on 20 November 2013. On the said date, however, both parties did not appear. Thus on 27 August 2015, the Hearing Officer issued Order No. 2015-1251 declaring the parties to have waived their right to submit their respective position papers and the case submitted for resolution.

The issue to be resolved is whether the Respondent-Applicant's mark "MAGIC SABAW" should be allowed registration.

Records reveal that the Opposer's mark "MAGIC FRY" was first registered on 13 May 1991. However, the same was cancelled sometime 2008 prompting Opposer to file an application anew, which was granted on 22 September 2008. The Respondent-Applicant on the other hand, filed the subject application on 09 February 2011.

But are the marks, as shown below, confusingly similar?

MAGIC SABAW

Opposer's mark *Respondent-Applicant's mark*

The competing marks clearly begin with the word "MAGIC". This Bureau, however, finds that the Respondent-Applicant's mark is not confusingly similar with the Opposer's mark "MAGIC SARAP". The word "MAGIC" is a common English word. What will then determine whether the competing marks are confusingly similar are the words and/or device that precede or succeed the said word. In this instance, the word "SARAP" follows "MAGIC" in Opposer's mark while that of the Respondent-Applicant's, the word "FRY". "SARAP", which is a Filipino term for "delicious" is easily distinguishable from the phrase "FRY". The two words also differ visually and in pronunciation.

Noteworthy, the Opposer initially registered it mark on 13 May 1991, which was cancelled in 2008. The Respondent-Applicant, on the other hand, registered its first mark appropriating the word "MAGIC", in 2006 when it was issued registration for the mark "MAGIC SARAP". Therefore, between the periods 2006 to 2008, the two "MAGIC" marks have co-existed in commerce and no confusion and/or deception to the public was shown to have occurred.

Corollarily, the Trademark Registry of this Office has registered various marks appropriating the word "MAGIC" such as "MAGIC CHIPS" under Certificate of Registration No. 4-2006-013293 issued on 30 December 2007, "MAGIC MELT AND DEVICE" under Certificate of Registration No. 4-2008-014373 issued on 05 April 2004 and "MAGIC POPS" under Certificate of Registration No. 4-2003-000408 issued on 08 May 2004. Therefore, the mere use of "MAGIC" is insufficient to conclude that there is likelihood of confusion. It bears noting that some of these trademarks were registered and/or used by their respective owners even prior the Opposer's re-filing of its application for registration for "MAGIC FRY". To rule otherwise is tantamount to conferring upon the Opposer exclusive right over the common word "MAGIC" and will have the unintended effect of opening doors for cancellation of valid and existing trademark registrations of parties using the said word as their trademark or a part thereof to the latter's damage and prejudice.

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.[4] Based on the above discussion, Respondent-Applicant's trademark sufficiently met this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2011-500184 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 14 January 2016.

ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs

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