SOCIETE DES PRODUITS NESTLE, S.A., *Opposer,*	}	**IPC No. 14-2008-00281** Opposition to:
-versus-	}	Appln. Serial No. 4-2008-003813 Date Filed: 03 April 2008
GCIH TRADEMARKS LIMITED, *Respondent-Applicant.*	}	**TM: TANGO MAXCRUNCH & LOGO**

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 333 dated 30 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 30 September 2016.

Atty. ADORACION U. ZARE
Adjudication Officer
Bureau of Legal Affairs

SOCIETE DES PRODUITS NESTLE S.A.,	}**IPC NO. 14-2008-00281**
Opposer,	}Opposition to:
	}
-versus-	}Appln. Ser. No. 4-2008-003813
	}Date Filed: 3 April 2008
	}
GCIH TRADEMARK LIMITED,	}Trademark: **"TANGO**
Respondent-Applicant.	} **MAXCRUNCH AND LOGO"**
	}
x----------x	}Decision No. 2016- 333

DECISION

SOCIETE DES PRODUITS NESTLE S.A., (Opposer)[1] filed an opposition to Trademark Application Serial No. 4-2008-003813. The application, filed by **GCIH TRADEMARKS LIMITED** (Respondent-Applicant)[2], covers the mark "TANGO MAXCRUNCH AND LOGO", for use on "chocolates, chocolate confectionary, chocolate products, cocoa, cocoa products" under Class 30 of the International Classification of Goods[3].

The Opposer relies on the following grounds in support of its Opposition:

"1. Opposer is the first to adopt, use and register worldwide including the Philippines, the 'CRUNCH', 'BUNCHA CRUNCH', 'KOKO CRUNCH' and 'NESTLE CRUNCH' trademarks and their derivatives (hereinafter referred to collectively as 'CRUNCH' trademarks) for among others, chocolate, cocoa and preparations having a base of cocoa, chocolate products, confectionary, bakery products, pastry biscuits, cakes, cookies, wafers, cereals and cereal preparations falling under international Class 30 and therefore enjoys under Section 147 of Republic Act (R.A.) 8293 the right to exclude others from registering or using identical or confusingly similar marks such as Respondent-Applicant's trademark 'TANGO MAXCRUNCH AND LOGO' for goods falling under class 30.

"2. There is a likelihood of confusion between Opposer's 'CRUNCH' trademarks and Respondent-Applicant's trademark 'TANGO MAXCRUNCH AND LOGO' because the latter trademark so resembles Opposer's 'CRUNCH'

[1] A corporation organized and existing under the laws of Switzerland with address at Vevey, Switzerland
[2] A company incorporated under the laws Hong Kong with address at 17/F One Hysan Avenue, Causeway Bay
[3] The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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trademark in terms of sound, sight and meaning as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, cause confusion, mistake and deception on the part of the purchasing public as being a tradenark owned by Opposer, hence, the Respondent-Applicant's trademark 'TANGO MAXCRUNCH AND LOGO' cannot be registered in the Philippines pursuant to the express provision of Section 147.2 of R.A. No. 8293. No doubt, the use of Respondent-Applicant's 'TANGO MAXCRUNCH AND LOGO' trademark for its products will indicate a connection between its products and those of the Opposer.

"3. The Opposer's 'CRUNCH' trademarks for goods falling under International Class 30 are well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large, as being the trademark owned by the Opposer.

"4. Respondent-Applicant in adopting 'TANGO MAXCRUNCH AND LOGO' for its goods, is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection or association with the Opposer, or as to origin, sponsorship, or approval of its goods and services by the Opposer, for which it is liable for false designation of origin, or false description or representation under Section 169 of R.A. No. 8293.

"5. Respondent-Applicant's appropriation and use of the trademark 'TANGO MAXCRUNCH AND LOGO' infringes upon the Opposer's exclusive right to use as registered owner of its 'CRUNCH' trademarks, which is protected under R.A. 8293 particularly Section 147 thereof."

The Opposer also alleges:

"Opposer is the owner of the 'CRUNCH' trademarks and has adopted and used the 'CRUCH' trademarks all over the world. The 'CRUNCH' trademarks are registered in the Philippines under Registration Nos. 4-1997-119855, 115792, 035685 issued on January 18, 2004, July 23, 2001 and June 27, 1986, respectively for goods falling under Class 30, which are valid and in force in the Philippines. xxx

The addition of other words to Opposer's 'CRUNCH' trademarks does not avoid the probability of confusion among consumers since the descriptive character of the 'MAX' portion of Respondent-Applicant's trademark TANGO MAXCRUNCH AND LOGO' merely connotes a variant (i.e. 'maxi' or big version) of Opposer's 'CRUNCH' trademarks. Further, it must be pointed out that the word 'TANGO' in Respondent-Applicant's mark was an addition to Respondent-Applicant's earlier mark 'MAXCRUNCH'. To expound, Respondent-Applicant filed an application for registration of its 'MAXCRUNCH' mark under Application No. 4-2002-002534 on March 25, 2002. Then, herein Opposer filed an opposition case against Respondent-Applicant's 'MAXCRUNCH' mark which was docketed as Inter Partes (IPC) No. 14-2005-00105. On October 13, 2006, the Honorable Director of the Bureau of Legal

Affairs issued Decision No. 2006-105 sustaining the Opposer's Opposition against Respondent-Applicant's 'MAXCRUNCH' under mark Application No. 4-2002-002534 and rejecting the application for registration of the trademark.xxx"

To support its opposition, the Opposer submitted as evidence the following:

1. Certified true copy of Certificate of Registration No. 4-1997-119855 issued on January 18, 2004, Certificate of Registration No. 115792 issued on July 23, 2001, Certificate of Registration No.035685 issued on June 27, 1986; and
2. Actual Labels of "CRUNCH" products;
3. Certified copies of exhibits attached to IPC No. 14-2005-00105.[4]

The Respondent-Applicant filed its Answer on 18 May 2009, alleging among other things, the following:

"Aural/Phonetic Comparison
The vast and striking dissimilarities between the CRUNCH trademarks and Tango Maxcrunch and Logo in terms of sound is undeniable. By the pronunciation and syllabication of the words it is difficult to mistake one for the other. xxx

Visual Comparison
The competing marks have very distinct visual differences.
Tango Maxcrunch and Logo- the mark is a composite mark consisting of the highlighted and underlined stylized word 'Tango' within a dark colored rectangle like device, in between the letters 'n' and 'g' of said word is a representation of a diamond shaped device. Below the word Tango is the stylized word Maxcrunch, the size of which is one fourth the scale of the word Tango. In contrast

CRUNCH- the word CRUNCH is red in color and block letters is printed diagonally across a rectangle like device in white color against a dark blue background. Further on the left side of the rectangular device is the word *Nestle*. The labels of the opposer's 'CRUNCH' mark attached as Exhibits 'C' to 'YYY' of the verified Notice of Opposition show that the mark 'Nestle' appears at all times with the word 'CRUNCH' in actual use.

BUNCHA CRUNCH- the stylized word BUNCHA in yellow color appears on top of a rectangular device in white color against a dark blue background. Within said rectangular device is the word CRUNCH in red color. The word *Nestle* also appears on the upper left portion. xxx

Predominant Feature
Tango Maxcrunch and Logo- the predominant feature of the mark is the stylized word Tango, combined with its rectangular and diamond device, by virtue of its large scale.

[4] Exhibits "A" to "YYY"

CRUNCH- on the other hand the mark *Nestle* appears with the word 'CRUNCH' in actual use. The predominant elements on this mark in actual use are the words NESTLE and CRUNCH.

BUNCHA CRUNCH- the mark 'NESTLE' appears with the words 'BUNCHA CRUNCH' in actual use. The predominant features of this mark are the words NESTLE, BUNCHA and CRUNCH.

Connotative Comparison
The overall visual and phonetic impression given by the opposed mark Tango Maxcrunch and Logo were sufficiently different from that created by CRUNCH trademarks. The brands 'Tango' and 'Nestle' respectively which prominently figures on the products to which the competing marks are applied distinguish the origin or source of the goods. Tango indicates Network Food Industries Sdn Bhd as its manufacturer, and Nestle as the manufacturer of CRUNCH products as prominently displayed on every Nestle products.

The common element 'Crunch' is not the dominant feature in Tango Maxcrunch and Logo. The dominant feature being 'Tango', therefore confusion to buyers in repsect to the source or origin of the products to which the marks are applied is remote.

The use of respondent-applicant of the element 'Crunch' in Tango Maxcrunch and Logo will not dilute the distinctiveness of the CRUNCH the trademarks, the competing marks not being substantially similar or identical.

The element 'Crunch' is descriptive of the chocolate products under the brand *Nestle.* The presence of said common element will not result to confusion if it is descriptive or common use.

The Respondent-Applicant submitted as evidence, the following:

1. Print-out of status of application of TANGO MAXCRUNCH AND LOGO in the IPO E- Gazette;
2. Copies of CRUNCH and BUNCHA CRUNCH wrappers;
3. Certified Copy of Certificate of Registration No. 4-2001-007313 for the mark "TANGO & DEVICE";
4. Affidavit of Lai Chee Leong dated 7 May 2009; and
5. Sales invoices issued from 2002-2008.

A notice was issued on 25 May 2009, setting the Preliminary Conference on 20 July 2009. On 25 November 2009, the Preliminary Conference was terminated, thereafter, on 8 December 2009 Order No. 2009-179 was issued directing both parties to file their respective position papers. The Opposer and the Respondent-Applicant filed their position papers on 14 January 2010 and 13 January 2010, respectively.

Should the Respondent-Applicant be allowed to register the trademark TANGO MAXCRUNCH AND LOGO?

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.[5] Thus, Sec. 123.1 (d) of R. A. No. 8293, also known as The Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

Records show that at the time the Respondent-Applicant applied for registration of the mark "TANGO MAXCRUNCH AND LOGO", the Opposer had already registered the marks BUNCHA CRUNCH under Certificate of Registration No. 4-1997-119855[6] issued on January 18, 2004; CRUNCH under Certificate of Registration No. 115792[7] issued on July 23, 2001; and CRUNCH under Certificate of Registration No.035685[8] issued on June 27, 1986. The goods covered by the Opposer's trademark registration are similar and/or closely related to those indicated in the Respondent-Applicant's trademark application.

The question is: Are the competing marks identical or closely resembling each other such that confusion or mistake is likely to occur?

The competing marks are reproduced below:

Opposer's mark	Respondent-Applicant's mark
CRUNCH	

Upon observation of the subject trademarks, it is readily apparent that both marks contain the identical word CRUNCH. The Respondent-Applicant contends that confusion among the purchasing public is unlikely because the Opposer clearly indicates "NESTLE" as the manufacturer in its "CRUNCH" products as seen from its wrappers[9]. In the same vein, the Respondent-Applicant puts Network Food Industries Sdn Bhd to

[5] *Pribhdas J. Mirpuri v. Court of Appeals,* G. R. No. 114508, 19 November 1999.
[6] Exhibit "A"
[7] Exhibit "B"
[8] Exhibit "B-1"
[9] Exhibit "2" to "5"

identify its manufacturer. It also argues that the words MAXCRUNCH are depicted in smaller case with "TANGO" appearing more prominently. It bears stressing that in Inter Partes Case No. 14-2005-00105, this Bureau decided to sustain the opposition filed by the Opposer, thus, rejecting the trademark application of the Respondent-Applicant for the mark "MAXCRUNCH". The word MAXCRUNCH is confusingly similar to the CRUNCH mark of the Opposer. Visually and aurally, the two marks are the same. We quote the decision of the Office of the Director General in Appeal No. 14-06-22, rendered on 13 September 2007, to wit:

> Considering that CRUNCH is the dominant feature of the Appellant's MAXCRUNCH trademark, and CRUNCH consists the already registered of trademarks of the Appellee, this Office concurs with the Director that there is a likelihood of confusion in using the competing trademarks on similar on similar and closely related products and selling and distributing them through the same channels of trade. xxx
>
> In this instance, while the goods on which the competing trademarks are used are patronized by all ages, a large portion of the market for these goods - 'end users' consists of children and minors. In the Philippines, these goods are available and sold only in big groceries and department stores. It can be safely inferred that at the end of the line, the consumption stage, these goods reach the target buyers through retail selling - through the convenience stores, the 'sari-sari' or general merchandise stores, school canteens, ambulant and sidewalk vendors, etc.
>
> In this sense, while the children are generally familiar with the brand of chocolates, candies etc., they are however, vulnerable to be deceived, confused, manipulated, and exploited. A child who buys chocolate under the brand or trademark CRUNCH for example, may well be confused and believe that the chocolate bearing the brand or trademark MAXCRUNCH is the same as CRUNCH and *vice versa.* xxx

By simply adding the word TANGO, it is not farfetched that the consuming public will associate and confuse the Respondent-Applicant's mark TANGO MAXCRUNCH with the Opposer's registered mark CRUNCH. Consumers may mistake that TANGO MAXCRUNCH is yet another variation of the CRUNCH trademarks applied to goods under class 30. Given that the Opposer's registration of the mark CRUNCH preceded Respondent-Applicant's application and is applied on similar and related goods, there is a likelihood of confusion.

The Supreme Court in *Sta. Ana v. Maliwat*[10] held:

> Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or tradename is likely to lead to a confusion of source, as where the prospective purchasers would be misled into thinking that the complaining party has extended his business into the field (see 148 ALR et seq. 52 Am Jur 576) or is it any way connected with the activities of the infringer; or when it forestalls the normal expansion of his business (v. 148 ALR, 77; 84 52 Am Jur 576, 577).

[10]G.R. No. L- 23023, 31 August 1968

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2008-003813 is hereby **SUSTAINED.** Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 30 SEP 2016

Atty. ADORACION U. ZARE, LLM
Adjudication Officer
Bureau of Legal Affairs