INTELLECTUAL PROPERTY PHILIPPINES

SOCIETE DES PRODUITS NESTLE NESTLE S.A., *Opposer,* -versus- **VITASOY INTERNATIONAL HOLDINGS LIMITED,** *Respondent-Applicant*	**Inter Partes Case No. 3938** Case Filed : Opposition to: Appl'n Serial No.. : 4-1992-80837 Date Filed : 20 May 1992 Trademark : **"VITASOY"**
SOCIETE DES PRODUITS NESTLE NESTLE S.A., *Opposer,* -versus- **VITASOY INTERNATIONAL HOLDINGS LIMITED,** *Respondent-Applicant*	**Inter Partes Case No. 3939** Case Filed : Opposition to: Appl'n Serial No.. : 4-1992-80835 Date Filed : 20 May 1992 Trademark : **"VITASOY IN CHINESE CHARACTERS"**
NESTLE PHILIPPINES INCORPORATED, *Opposer,* -versus- **VITASOY INTERNATIONAL HOLDINGS LIMITED,** *Respondent-Applicant*	**Inter Partes Case No. 3951** Case Filed : Opposition to: Appl'n Serial No.. : 4-1992-80835 Date Filed : 20 May 1992 Trademark : **"VITASOY IN CHINESE CHARACTERS"**
NESTLE PHILIPPINES INCORPORATED, *Opposer,* -versus- **VITASOY INTERNATIONAL HOLDINGS LIMITED,** *Respondent-Applicant*	**Inter Partes Case No. 3952** Case Filed : Opposition to: Appl'n Serial No.. : 4-1992-80837 Date Filed : 20 May 1992 Trademark : **"VITASOY"**

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DECISION

These are consolidated oppositions to the trademark applications filed by the Respondent-Applicant for the marks "**VITASOY**" under Application NO. 4-1992-080837 and "**VITASOY IN CHINESE CHARACTERS**" under Application NO. 4-1992-080835 both filed **May 20, 1992** for the goods "*soya bean milk in liquid and solid form, soya based food products and all kinds of food products, and the ingredients therefore, AMD soya bean based carbonated and non-carbonated, non-alcoholic drinks and beverages, syrups, powder extracts and concentrates for making carbonated and non-carbonated, non-alcoholic beverages, juices of all kinds, softdrinks*" under Classes 29 and 32 of the International Classification of goods.

The opposition cases filed by the Opposer are the following:

Inter Parte Case No.	Trademark
IPC No.. 3938	VITASOY
IPC No. 3959	VITASOY IN CHINESE CHARACTERS
IPC No. 3951	VITASOY IN CHINESE CHARACTERS
IPC No. 3952	VITASOY

The Opposer in these consolidated cases are "**SOCIETE DES PRODUITS NESTLE S.A.**" a corporation organized and existing under the laws of Switzerland, with address at Casa Postale, 353 Vevey, Switzerland and "**NESTLE PHILIPPINES INCORPORATED**" a corporation and existing under the laws of the Republic of the Philippines with address at No. 31 Plaza Drive, Rockwell Center, Makati City. Opposer "**NESTLE PHILIPPINES INCORPORATED**" is the licensee of Opposer "**SOCIETE DES PRODUITS NESTLE S.A.**" in the Philippines.

On the other hand, the Respondent-Applicant in these consolidated cases is "**VITASOY INTERNATIONAL HOLDINGS LIMITED**" a corporation organized and existing under the laws of Hong Kong, with principal address at 1 Kin Wong Street, Tuen Mun, New Territories, Hong Kong.

The issue to be resolved in these consolidated cases is:

> **"WHETHER OR NOT THE RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARKS "VITASOY" AND "VITASOY IN CHINESE CHARACTERS"?**

Opposers seek the denial of the application for registration of the mark "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**" claiming that the registration of which is prohibited by Section 4 (d) of Republic Act No. 166, as amended, which provides:

"**Section 4.** *Registration of trademarks, trade names and service marks on the principal register.* - There is hereby established a register of trademarks, trade-names and service marks which shall be known as the principal register. The owner of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right top register the same on the principal register, unless it:

x x x

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchases;"

The Opposers argued that confusing similarity exists between the marks of the Respondent-Applicant's "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**" and that of the Opposer's mark "**VITA**" which was registered with the Intellectual Property Office of the Philippines bearing Certificate of Registration No. 31168 dated October 01, 1982 (**Exhibits "D"** to **"D-4"** in Inter Partes Cases Nos. 3938 and 3952 and **Exhibits "D"** to **"D-1"** for Inter Partes Cases Nos. 3939 and 3951).

Assuming that the contending trademarks are confusingly similar to each other, the remaining issue to be resolved is:

"WHO BETWEEN THE PARTIES HAS A BETTER RIGHT OVER THE MARK "VITA".

Opposers claim that its trademark "**VITA**" which has been registered with the Bureau of Patents Trademarks and Technology Transfer (BPTTT) now the Intellectual Property Office of the Philippines (IPP) under Registration No. 31168 dated October 01, 1982, is confusingly similar to the Respondent-Applicant's trademarks "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**". However, the records show that the said trademark registration was ordered cancelled and stricken off from the registry of the Bureau of Trademarks, as decided in the case "**Vitasoy International Holdings Ltd., vs. Societe des Produits Nestle, S.A.**" docketed as Inter Partes Case No. 3980, under **Decision No. 2008-150** dated August 12, 2008.

Decision No. 2008-150 dated August 12, 2008 clearly stated that the reason why the Certificate of Registration was ordered cancelled was due to Respondent-Registrant's failure to show that it has actually used the mark "**VITA**" in the Philippines.

In **Sterling Products International, Inc., vs. Farbenfabriken Bayer Aktiengesellschaft (27 SCRA 1214 [G.R. No. L-19906 April 30, 1969]**, the Supreme Court said:

> "Adoption alone of a trademark would not give exclusive right thereto. Such right grows out of their actual use. Adoption is not use. One may make advertisements, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use. The underlying reason for all these is that purchasers have come to understand the mark as indicating the origin of wares. Flowing from this is the trader's right to protection in the trade he has built up and the goodwill he has accumulated from use of the trademark. Registration of the trademark of course, has value; It is an administrative act of declaratory of a pre-existing right. Registration does not, however, prefect a trademark right."

The records reveal that -

Respondent-Applicant has registered and filed applications for the registrations of the marks "**VITASOY**" and "**VITA**" in numerous countries, and the earliest filing date is in **1978**, particularly in "***Sabah***" (**Exhibit "I-9"**).

In the Philippines, Respondent-Applicant filed its application for the registration of the mark "**VITA**" in the year **1992** which is still pending up to present (**Exhibit "I-8"**).

Vitasoy products were first introduced in the Philippines in **1996** through its distributor Sunshine Trading Limited (**Exhibit "672-B"**) and thereafter up to the present through Fly Ace Corporation (**Exhibits "470" to "472"**).

As narrated and contained in the Respondent-Applicant's memorandum, the Vitasoy story began in **1940** with a big idea and a little bean. The bean was soy sometimes known as "*the cow of China*", the main source of protein for the Chinese people for over three thousand (3,000) years. The "big-idea" brainchild and founder **Dr. K.S. Lo** was to take the cow of China and literally milk it. And so "**VITASOY**" was born, a nutritious, high protein soymilk drink that was sold at an affordable price to the people of Hong Kong at that time (**Exhibit "11-A"**).

That "**VITASOY**" have already existed since 1940, a period of more than sixty (60) years age, up to the present. Respondent-Applicant has registered and filed application for registration of the mark "**VITASOY**" in its variants, worldwide including the Philippines. (**Exhibits "675-A"** to **"685-I"**)

Respondent-Applicant has likewise been using the mark "**VITA**" and has secured registration and filed applications for registration in numerous countries some of which are the following: (**Exhibits "I-1"** to **"I-16"**)

Country	Trademark	Date Filed
Australia	VITA	1995
Brunie	VITA	1991
Hungary	VITA	1993
Italy	VITA	1996
Macau	VITA	1991
Malaysia	VITA	1979
New Zealand	VITA	1994
New Guinea	VITA	1981
Philippines	VITA	1992
Sabah	VITA	1978

Respondent-Applicant also claims that two (2) trademarks "**VITA**" and "**VITASOY**" is the corporate name of the Respondent-Applicant or its trade name.

Article 8 of the Paris Convention provides:

> "A trademark shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark."

In "**Philips Exports B.V. vs. Court of Appeals (2006 SCRA 457)**" the Supreme Court ruled:

> "A corporation's right to use its corporate and trade name is a property right, a right ***in rem*** which it may assert and protect against the whole world in the same manner as it may protect its tangible property, real or personal against trespass or conversion. A corporation has the exclusive right to the use of its name which may be protected by injunction upon a principle similar to that upon which persons are protected in the use of trademarks and trade names. It is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same, or the same name with a ***slight variations***, in such a way to induce persons to deal with it in the belief that they are dealing with the corporation which has given reputation to the name."

Respondent-Applicant further claims that as early as 1976, Vitasoy International Holdings Limited, started the manufacture and selling of its products bearing the mark "**VITA**" (**Exhibit "I-1"**) in the Philippines, per paragraph 5 of the affidavit direct testimony of **John Shek Hung Lau**, the Director of Vitasoy International Holdings Limited.

The evidence on record clearly show that the Respondent-Applicant is the ***first user*** and ***adopter*** of the mark "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**" (**Exhibits "675-A"** to **"685-I"**). It is the said party who created or invented the same long before the second World war. As such, registration of the same in its favor/name is not contrary to law simply because **ownership** belongs to its.

The right to register trademarks, trade-names and service marks is based on ownership. Only the owner of the mark may apply for its registration (**Bert R. Bagano vs. Director of Patents, et. al., G.R. No. L-20170, August 10, 1965**).

Respondent-Applicant has proven that it has been using the mark "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**" on its goods **prior** to the Opposer or since **1940** before the second World War. There is no denying that the said mark is but part of the Respondent-Applicant's corporate/trade name and such being the case, the registration of the same in its favor for its protection is not contrary to law as ownership of said trademark belongs to it.

On vital point to be noted in these particular case is that the Respondent-Applicant shown by the records has been using the mark "**VITA**" in many countries as early as 1976. (paragraph 5 of the affidavit Direct Testimony of John Shek Hung Lau).

It is also shown that the Respondent-Applicant has secured registrations and filed application for registration of the mark "**VITA**" in numerous countries and the earliest of which in **Sabah** in the year **1978** (**Exhibit "I-9"**) which is earlier when the Opposer filed its application in the Philippines for the mark "**VITA**" which was on February 19, 1980 and claiming date of first use on October 29, 1979.

Respondent-Applicant adduced evidences to show that its products which bear the "**VITA**" and "**VITASOY**" marks are actually sold in the Philippines in the form of sales invoices (**Exhibits "69"** to **"642'**).

The purpose of the law in protecting a trademark cannot be overemphasized. They are 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 market a superior article of merchandise, the fruit of his industry and skill, and to prevent fraud and imposition (**Etepha vs. Director of Patents, 16 SCRA 495**). The legislature has enacted laws to regulate the use of trademarks and provide for the protection thereof. Modern trade and commerce demands that depredations on legitimate trademarks of non-nationals including those who have shown prior registration thereof should not be countenanced. The law against such depredations is not only for the protection of the owner of the trademark, but also, and more importantly, for the protection of the purchasers from the confusion, mistake or deception as to the goods they are buying. (**Asari Yoko Co. Ltd., vs. Kee Boc, 1 SCRA 1**)

The law on trademarks and trade names is based on the principle of business integrity and common justice. This law, both in letter and spirit, is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and **not** to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another (**Baltimore vs. Moses, 182 Md 229, 34 A 92d) 338**).

Finally, it must be emphasized that the term "**VITA**" and "**VITASOY**" are part of Respondent-Applicant's corporate name. The Paris Convention mandates that a trade name shall be protected without a need of registration and whether or not it forms part of a trademark. The ownership of a trademark or trade name is a property right which the owner is entitled to protect since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.

WITH ALL THE FOREGOING, the consolidated Opposition are, as they are hereby, **DENIED**. Consequently, Trademark Application No. 80837 filed on May 20, 1992 for the mark "**VITASOY**" and Application No. 80835 filed on May 20, 1992 for the mark "**VITASOY IN CHINESE CHARACTERS**" both filed by "**VITASOY INTERNATIONAL HOLDINGS LIMITED**" are, as they are hereby, **GIVEN DUE COURSE**.

Let the filewrappers of the trademarks "**VITASOY**" and "**VITASOY IN CHINESE CHARACTERS**" subject matter of these consolidated cases together with a copy of this **DECISION** be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 24 March 2009.

Atty. ESTRELLITA BELTRAN ABELARDO
Director
Bureau of legal Affairs

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/24-Mar-09