INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

MONDE NISSIN (AUSTRALIA) PTY. LIMITED, Opposer, **-versus-** **BEELOVE, INC.,** Respondent- Applicant.	**IPC No. 14-2015-00439** Opposition to: Appln. Serial No. 4-2015-504205 Date Filed: 28 July 2015 **TM: "NUDE"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 430 dated December 22, 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, January 03, 2018.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

MONDE NISSIN (AUSTRALIA) PTY LIMITED,	**IPC No. 14-2015-00439**
Opposer,	**Opposition to:**
-versus-	**Application No. 4-2015-504205** **Date Filed: 28 July 2015** **Trademark: NUDE**
BEELOVE, INC.,	
Respondent-Applicant.	
x----------x	*Decision No. 2017-* 430

DECISION

MONDE NISSIN (AUSTRALIA) PTY LIMITED[1] ("Opposer") filed an opposition to Trademark Application Serial No. 4-2015-504205. The application, filed by Beelove, Inc.[2] ("Respondent-Applicant"), covers the mark "NUDE" for use on "*fruit drinks and fruit juices*" under Class 32 of the International Classification of Goods and Services.[3]

The Opposer alleges:

x x x

"DISCUSSION

"14. Under prevailing jurisprudence on the matter, the dominancy test, as now incorporated under Section 155 of the IP Code, may be applied to test the existence of confusing similarity. The dominancy test focuses on the similarity of the prevalent features of the competing marks that might cause confusion and deception. Under this test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences. As held in the case of McDonald's Corporation and MacGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc. et. al. (G.R. No. 143993, August 18, 2004):

x x x

"15. Applying the dominancy test, it is clear that Respondent-Applicant's use of the mark NUDE results in likelihood of confusion:

> "a. Respondent-Applicant's mark NUDE uses as a dominant element, all but one of the letters in Opposer's NUDIE mark, as to be likely to cause confusion, mistake and deception on the part of the purchasing public. Opposer's products bearing the NUDIE Marks are known to be made using only the finest fruits from Australian farms with no added preservatives, colorings, additives, concentrates or added

[1]With address at 532-534 Clayton Road, Clayton South VIC 3169.
[2]With address at 17 Brooklyn St. Bgy. Immaculate Conception, Cubao, Quezon City.
[3]The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

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sugar. In using the mark NUDE, it is readily apparent that Respondent-Applicant intends to convey a similar commercial impression. Respondent-Applicant differentiates its mark NUDE from Opposer's NUDIE mark by merely removing the letter 'I' from Opposer's NUDIE mark. In doing so, Respondent-Applicant's mark NUDE creates a similar overall commercial impression to that of Opposer's NUDIE mark.

"b. The goods for which Respondent-Applicant's mark NUDE is sought to be registered are identical to the goods for which Opposer's NUDIE Marks are used and registered. Respondent-Applicant's mark NUDE is sought to be registered in Class 32 for 'fruit drinks and fruit juices' while Opposer's NUDIE Marks are registered and used for goods in Classes 3, 5, 9, 28, 29, 30, 31, 32, 33 and 43 including, among others, fruits juices and drinks.

"c. Because the goods for which Respondent-Applicant's mark NUDE is sought to be registered are identical to the goods for which Opposer's NUDIE Marks are used and registered, which goods flow through similar channels of trade, Respondent-Applicant's use of the mark NUDE will necessarily suggest a connection between its products and Opposer's products and will mislead the public into believing that Respondent-Applicant's goods originate from or are licensed by or sponsored by Opposer, which has been identified in trade and by consumers as the source of goods bearing the NUDIE Marks.

"16. Clearly, Respondent-Applicant's mark NUDE is so confusingly similar to Opposer's NUDIE mark so as to be likely, when used in connection with the goods covered by Respondent-Applicant's trademark application, to cause confusion and deception among consumers. Considering the wide field of options available to Respondent-Applicant in choosing a brand for its products, Opposer surmises that such choice was made in the hopes that the confusing similarity and similarity in meaning of the competing marks would lead the consuming public to mistakenly believe that products bearing the mark NUDE are related to, associated with, or licensed by, Opposer.

"17. The Rules and Regulations issued by the IPO to implement the IP Code provisions on trademarks set out the criteria for determining whether a mark is well-known as follows:

x x x

"18. As extensively discussed above, Opposer has sufficiently met the foregoing criteria through its extensive registrations, proof of use, and promotional and advertising materials, which have resulted in knowledge of the NUDIE Marks by the relevant sector of the public all over the world. Opposer's continuing commercial use of the NUDIE Marks, as evidenced by sample commercial invoices, advertising expense figures, together with sample promotional and advertising materials and such other evidence, clearly proves the international renown and prior use of Opposer's NUDIE Marks.

"19. Given Opposer's extensive prior use of the NUDIE Marks, as shown by worldwide sales of Opposer's products bearing the NUDIE Marks and advertising and promotional expenses incurred by Opposer as well as its predecessor in business in

relation thereto, and Opposer's numerous prior trademark registrations of its NUDIE Marks around the world, there should be no doubt that the present opposition should be sustained and Respondent-Applicant's mark should be refused registration.

"20. It may be well to note that under the TRIPS Agreement, which the Philippines has ratified as part of the General Agreement on Tariffs and Trade, Opposer's NUDIE Marks should be protected as a well-known trademark. Article 16 of the TRIPS Agreement provides:

x x x

"21. It is plainly evident that Respondent-Applicant seeks to project a similar image or brand as Opposer's NUDIE Marks, so as to ride on and reap the benefits of the NUDIE Marks' goodwill, popularity, and renown among the relevant sector of the market. As previously discussed, Opposer and its predecessor in business have incurred considerable expense in promoting and marketing products bearing the NUDIE Marks to ensure the awareness and recognition of said marks and products in the market, thereby establishing in the minds of the purchasing public a reputation for quality and goodwill. The association that is created between Opposer's and Respondent-Applicant's products because of the confusingly similar marks used on identical goods will make Respondent-Applicant's products 'self-promoting' in the commercial sense since Opposer and its predecessor in business have already incurred considerable expense in promoting goods bearing the NUDIE Marks. If Respondent-Applicant's mark NUDE will be registered, Respondent-Applicant will, unfairly, enjoy the fruits of Opposer's efforts in nurturing and developing its reputation and goodwill among consumers, at no cost to itself.

"22. Respondent-Applicant's attempt to register and make use of a mark so confusingly similar to Opposer's NUDIE Marks evinces its intent to ride on and reap the benefits of goodwill, product recall, and popularity which the NUDIE brand has among consumers. Respondent-Applicant's act of choosing and using a confusingly similar mark among a broad field of options for no discernible reason in indicative of its intent to deceive consumers. It is ironic that in seeking the registration of the mark NUDE, Respondent-Applicant clearly does not seek to distinguish the origin of its goods from that of others, as is the purpose of a trademark, but rather, to foster the belief that his goods emanate from, are associated with, or are licensed by, Opposer. As prior user and registered owner of the internationally well-known NUDIE Marks, Opposer has superior and exclusive rights to use the mark and this effectively precludes a subsequent user such as Respondent-Applicant from using a confusingly similar mark. The registration of Respondent-Applicant's mark NUDE will curtail the exclusive right of Opposer to exploit the value of its trademark.

"23. The registration of Respondent-Applicant's mark NUDE diminishes the distinctiveness of Opposer's NUDIE Marks and dilutes the goodwill that Opposer has earned thereby. It may also ruin Opposer's reputation for quality should the standards of the products of Respondent-Applicant be lower than the standards against which Opposer measures its own.

"24. Opposer has more than sufficiently established that Respondent-Applicant's use and registration of the mark NUDE will diminish the distinctiveness and dilute the goodwill that Opposer has established in the NUDIE Marks to Opposer's damage and prejudice. The foregoing factors considered, the undeniable damage to Opposer justifies the rejection of Respondent-Applicant's application. In this regard, the wise words of the Supreme Court in the case of Del Monte Corporation and Philippine

Packing Corporation vs. Courts of Appeals (G.R. No. L-78325, January 25, 1990) is relevant:

x x x

The Opposer's evidence consists of the Notice of Opposition; the Affidavit of Ferdinand Cabo Chanpongco, the authorized representative of MONDE NISSIN (AUSTRALIA) PTY LIMITED with attached exhibits as follows: copy of the Company's Certificate of Registration in Australia, copies of trademark applications that the Company has caused to be filed with the IPO together with the relevant pages from the IPO e-Gazette, copies of the Notices of Issuance and Second Publication Fee issued by the IPO for these applications, together with copies of proof of payment of the required fees, a listing of the Certificates of Registration issued as well as pending applications for the NUDIE Marks in the name of the Company in different countries, territories and jurisdictions worldwide, a representative sampling of the Certificates of Registration for the NUDIE Marks, a sampling of commercial invoices issued by the Company and its predecessor in business for sales of products bearing the NUDIE Marks during the period 2005-2015, a representative sampling of advertising materials from around the world promoting the Company's products bearing the NUDIE Marks, print-outs of the relevant pages downloaded from the website http://www.nudie.com.au ; the Special Power of Attorney in favor of Sycip Salazar Hernandex & Gatmaitan; and signed Memorandum of Resolutions of the Directors of Opposer.[4]

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 01 February 2016. The Respondent-Applicant filed their Answer on 29 April 2016 and avers the following:

x x x

"Affirmative Allegations and Specific Defenses

"10. The foregoing allegations are reproduced and repleaded herein by way of reference.

"11. According to the opposer, the registration of the mark 'NUDE' runs counter to Section 123.1 (d) and (e) of the IP Code as there is confusing similarity between its mark 'NUDIE' and 'NUDE,' and that the registration and use of the latter will cause damage and prejudice to opposer because it diminishes the distinctiveness and dilutes the goodwill of its 'NUDIE' marks. As will be shown hereunder, opposer is mistaken and its fears, unfounded.

"12. No likelihood of confusion. Likelihood of confusion or deception is a relative concept, a determination of which can only be arrived at by taking into consideration the peculiar and distinct circumstances surrounding each case.

"There is no likelihood of confusion arising out of the registration of the mark 'NUDE'.

[4]Marked as Annexes "A" to "D".

x x x

"An examination of the registered mark 'NUDIE' under Registration NO. 04-2014-024345, the Nudie Character Logo under Registration No. 04-2014-024346, and the Nudie and Character Logo under Registration No. 04-2014-014347 (collectively, the 'Nudie Marks'), opposer's Exhibit B, shows the word 'NUDIE' written in upper case letters, with the character logo above it.

"On the other hand, the mark 'NUDE' under Application No. 4-2015-504205 shows the word 'NUDE' written in small, all-white letters in slim-rounded font set against a dark green background, accented by a white multiple-lined leaf just above the letter 'e.' A copy of the 'NUDE' logo which is the subject of the present application is attached as Exhibit '2'.

"The style, form, font, background and images used and the general appearance of the marks are very pronounced which give it an effect far too different from what the opposer wishes to impress.

"The dominant feature of the marks is different from that of the opposer's, which consists of the word 'NUDIE' in all lowercase letters written below the character logo. Moreover, the packaging of the products under the 'NUDE' mark is clearly distinct from that of 'NUDIE.' Thus, the mark applied for will not likely deceive or cause confusion in the main, prevalent or essential features of the competing trademarks are completely different from each other.

"13. Thus, there is no basis for opposer's claim that Beelove intends to capitalize on the goodwill it has built for the trademark 'NUDIE.'

x x x

"14. Distinct packaging negates possibility of confusion; no visual similarity. To further show that the possibility of confusion arising from the registration of the mark 'NUDE' is far-fetched, Beelove attaches hereto as Exhibit '3' a photograph of the sample packaging of the products with the mark 'NUDE.'

"Just by merely looking at the designs having stark contrast and definable distinctions, and consequently forming differing impressions about the products, potential consumers would exactly know the difference between the two (2) marks and the goods they represent.

x x x

"15. Beelove did not adopt the dominant features of the mark 'NUDE.' Neither is there any truth to the claim that Beelove appropriated the trademark 'NUDE' for the purpose of capitalizing on the purported goodwill and popularity of the mark 'NUDE'.

"Contrary to opposer's claim that he use of the mark 'NUDE' is evident of Beelove's intent to ride on and reap the benefits of goodwill, product recall and popularity of the 'NUDIE' brand, the development of the products under the 'NUDE' brand was inspired by the shift in public perception towards healthier lifestyle choices, and a 'less is more' principle as adopted in food choices, wherein fruits in its natural state, with minimal or no preservatives and additives, take center stage. In cooperation with the Department of Science and Technology

(DOST), product development for healthy, all-natural fruit juices from choice Philippine fruits was commenced by Beelove. This back-to-nature approach became the inspiration behind the choice of the mark 'NUDE,' for fruit juices 'with nothing to hide, just the best and freshest nature has to offer.'

x x x

"Given that the word 'NUDIE,' alone or in combination with a device or logo, does not point to the origin or ownership of the products to which they apply, the local ordinary intelligent consumer could not possibly be confused or deceived that Beelove's 'NUDIE' is the product of opposer and/or originated form Australia. Lest it be overlooked, no actual commercial use of opposer's marks in local commerce was presented. There can thus be no occasion for the public in this country, unfamiliar in the first place with opposer's marks, to be confused.

The Respondent-Applicant's evidence consists of a copy of the "NUDE" logo; a photograph of the sample packaging of the products with the mark "NUDE"; and the packaging of Beelove's products which use the "NUDE" mark.[5]

On 04 April 2017, the Preliminary Conference was terminated. Then after, the parties were directed to submit their respective position paper. Opposer and Respondent-Applicant filed their respective position paper on 17 April 2017.

Should the Respondent-Applicant be allowed to register the trademark **NUDE**?

The Opposer anchors its opposition on Section 123.1, paragraphs (d) and (e) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

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 a 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;

[5] Marked as Exhibits "1" to "4", inclusive.

Records show that at the time the Respondent-Applicant filed its trademark application on 28 July 2015, the Opposer has already applied for registration the "NUDIE" marks for Classes 29, 30 and 32. Opposer's trademark applications cover fruits juices and fruit drinks, among others. This Bureau noticed that the goods indicated in Respondent-Applicant's trademark application for the mark NUDE are similar or intimately-related to the Opposer's.

A comparison of the competing marks reproduced below:

NUDIE

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

shows that confusion is likely to occur. Respondent-Applicant's mark NUDE adopted the dominant features of Opposer's mark consisting of the letters "NUDIE". Respondent-Applicant's "NUDE" mark appears and sounds almost the same as Opposer's trademark NUDIE. Both NUDIE and NUDE marks have the letters "N", "U", "D" and "E". Respondent-Applicant merely deleted the letter "I" in Opposer's "NUDIE" trademark to come up with the mark NUDE. Likewise, the competing marks are used on similar products, particularly, fruit juices and fruit drinks. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

> Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.[6]

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by

[6] *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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 article as his product.[7]

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.[8]

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1 (d) (iii) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2015-504205 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 DEC 2017.

Atty. JOSEPHINE C. ALON
Adjudication Officer
Bureau of Legal Affairs

[7] *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).
[8] *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.