

# Republic of the Philippines Supreme Court Manila

# SECOND DIVISION

SOCIETE DES PRODUITS, NESTLE, S.A.,

- versus -

Petitioner,

G.R. No. 217194

Present:

CARPIO, *Acting C.J.*, Chairperson, PERALTA, PERLAS-BERNABE, CAGUIOA, and REYES, JR., *JJ*.

. . . .

PUREGOLD PRICE CLUB, INC., Respondent.

Promulgated: O 6 SEP - MULaballo

# DECISION

CARPIO, Acting C.J.:

#### The Case

Before the Court is a petition for review on certiorari<sup>1</sup> assailing the 15 May 2014 Resolution<sup>2</sup> and the 14 October 2014 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 134592.

#### The Facts

Petitioner Societe des Produits Nestle, S.A. (Nestle) is a corporation organized and existing under the laws of Switzerland which is engaged in the business of marketing and selling of coffee, ice cream, chocolates, cereals, sauces, soups, condiment mixes, dairy and non-dairy products, etc.<sup>4</sup> Respondent Puregold Price Club, Inc. (Puregold) is a corporation organized under Philippine law which is engaged in the business of trading

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<sup>&</sup>lt;sup>1</sup> *Rollo*, pp. 12-46. Under Rule 45 of the Rules of Court.

<sup>&</sup>lt;sup>2</sup> Id. at 62. Signed by Division Clerk of Court Atty. Celedonia M. Ogsimer.

<sup>&</sup>lt;sup>3</sup> Id. at 64-67. Penned by Associate Justice Nina G. Antonio-Valenzuela, with Associate Justices Apolinario D. Bruselas, Jr. and Eduardo B. Peralta, Jr. concurring.

<sup>&</sup>lt;sup>4</sup> Id. at 189.

#### Decision

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goods such as consumer goods on wholesale or on retail basis.<sup>5</sup>

On 14 June 2007, Puregold filed an application<sup>6</sup> for the registration of the trademark "COFFEE MATCH" with the Intellectual Property Office (IPO). The registration was filed by Puregold for use on coffee, tea, cocoa, sugar, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, and honey under Class 30 of the International Classification of Goods.<sup>7</sup>

On 5 December 2008, Nestle filed an opposition<sup>8</sup> against Puregold's application for registration. Nestle alleged that it is the exclusive owner of the "COFFEE-MATE" trademark and that there is confusing similarity between the "COFFEE-MATE" trademark and Puregold's "COFFEE MATCH" application.<sup>9</sup> Nestle alleged that "COFFEE-MATE" has been declared an internationally well-known mark and Puregold's use of "COFFEE MATCH" would indicate a connection with the goods covered in Nestle's "COFFEE-MATE" mark because of its distinct similarity. Nestle claimed that it would suffer damages if the application were granted since Puregold's "COFFEE MATCH" would likely mislead the public that the mark originated from Nestle.<sup>10</sup>

# The Decision of the Bureau of Legal Affairs-Intellectual Property Office

In a Decision<sup>11</sup> dated 16 April 2012, the Bureau of Legal Affairs-Intellectual Property Office (BLA-IPO) dismissed Nestle's opposition. The BLA-IPO ruled that Nestle's opposition was defective because the verification and certification against forum shopping attached to Nestle's opposition did not include a board of directors' resolution or secretary's certificate stating Mr. Dennis Jose R. Barot's (Barot) authority to act on behalf of Nestle. The BLA-IPO ruled that the defect in Nestle's opposition was sufficient ground to dismiss.<sup>12</sup>

The BLA-IPO held that the word "COFFEE" as a mark, or as part of a trademark, which is used on coffee and similar or closely related goods, is not unique or highly distinctive. Nestle combined the word "COFFEE" with the word "-MATE," while Puregold combined the word "COFFEE" with the word "MATCH." The BLA-IPO ruled that while both Nestle's "-MATE" and Puregold's "MATCH" contain the same first three letters, the last two in Puregold's mark rendered a visual and aural character that makes it easily

<sup>&</sup>lt;sup>5</sup> Id. at 230.

<sup>&</sup>lt;sup>6</sup> Id. at 218-220.

<sup>&</sup>lt;sup>7</sup> Id. at 218.

<sup>&</sup>lt;sup>\*</sup> Id. at 68-76.

<sup>&</sup>lt;sup>°</sup> Id. at 70-71.

<sup>&</sup>lt;sup>10</sup> Id. at 72-73.

<sup>&</sup>lt;sup>11</sup> Id. at 294-301.

<sup>&</sup>lt;sup>12</sup> Id. at 299.

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distinguishable from Nestle's "COFFEE-MATE."<sup>13</sup> Also, the letter "M" in Puregold's mark is written as an upper case character and the eyes of a consumer would not be confused or deceived by Nestle's "COFFEE-MATE" where the letter "M" is written in lower case. Consequently, the BLA-IPO held that the consumer cannot mistake the mark and the products of Nestle as those of Puregold's.<sup>14</sup>

The dispositive portion of the Decision states:

WHEREFORE, premises considered, the instant opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2007-006134 be returned, together with a copy of this DECISION, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.15

On 11 June 2012, Nestle filed an appeal<sup>16</sup> with the Office of the Director General of the Intellectual Property Office (ODG-IPO).

# The Decision of the ODG-IPO

In a Decision<sup>17</sup> dated 7 February 2014, the Office of the ODG-IPO dismissed Nestle's appeal. The ODG-IPO held that Barot's authority to sign the certification against forum shopping was not sufficiently proven by Nestle. The ODG-IPO ruled that Barot's authority, which was contained in the power of attorney executed, should not be given weight unless accompanied by proof or evidence of his authority from Nestle.<sup>18</sup>

The ODG-IPO held that the competing marks are not confusingly similar and that consumers would unlikely be deceived or confused from Puregold's use of "COFFEE MATCH." The ODG-IPO ruled that the common feature of "COFFEE" between the two marks cannot be exclusively appropriated since it is generic or descriptive of the goods in question. The ODG-IPO ruled that there is no visual, phonetic, or conceptual similarity between the two marks. Visual similarity is not present in the two marks, as Nestle's mark consists of a hyphenated word with the paired word being "MATE" while Puregold's mark consists of the paired word "MATCH." While it is true that the first three letters "M," "A," and "T" are common in the two marks, Puregold's mark, which are two separate words, with the capitalization of the letters "C" and "M," is readily apparent when "COFFEE MATCH" and "COFFEE-MATE" are compared side by side.<sup>19</sup>

<sup>18</sup> Id. at 415.

<sup>&</sup>lt;sup>13</sup> Id. at 300.

<sup>&</sup>quot; ld.

<sup>&</sup>lt;sup>15</sup> Id. at 301

<sup>&</sup>lt;sup>16</sup> Id. at 302-331.

<sup>&</sup>lt;sup>17</sup> Id. at 412-418.

<sup>&</sup>lt;sup>19</sup> Id. at 417.

The dispositive portion of the Decision states:

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision and the records of this case be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.<sup>20</sup>

On 14 April 2014, Nestle filed a Petition for Review<sup>21</sup> with the Court of Appeals.

# The Decision of the CA

In a Resolution dated 15 May 2014, the CA dismissed Nestle's petition for review on procedural grounds.

The Resolution states:

A perusal of the Petition for Review shows that:

1. the title thereof does not bear the name of party respondent Puregold Price Club, Inc.

2. there is no board resolution and/or secretary's certificate to prove the authority of Dennis Jose R. Barot to file the petition and to sign the Verification/Certification of Non-Forum Shopping on behalf of petitionercorporation; and

3. certified true copies of material [portions] of the record which were mentioned therein were not attached, such as respondent's trademark application (rollo, p. 12), petitioner's Opposition thereto, Reply, the parties' respective position papers, petitioner's appeal, respondent's Comment, the parties' respective memoranda, etc.

The above considering, the Court RESOLVES to DISMISS the petition outright.<sup>22</sup>

On 13 June 2014, Nestle filed a Motion for Reconsideration<sup>23</sup> which was denied by the CA on 14 October 2014.<sup>24</sup> The Resolution of the CA states:

<sup>&</sup>lt;sup>20</sup> Id. at 418.

<sup>&</sup>lt;sup>21</sup> Id. at 425-455.

<sup>&</sup>lt;sup>22</sup> Id. at 62.

<sup>&</sup>lt;sup>23</sup> Id. at 480-492.

<sup>&</sup>lt;sup>24</sup> Id. at 64-67.

We DENY the Motion for Reconsideration because it is without merit.

The petitioner filed the Petition beyond the 15-day reglementary period.

Under Rule 43, Section 4 of the Rules of Court, a party may file an appeal to this Court from quasi-judicial bodies like the Intellectual Property Office, within 15 days from receipt of the assailed judgment, order, or resolution.

Petitioner's counsel of record before the Intellectual Property Office ("IPO"), the Sapalo Velez Bundang & Bulilan Law Offices ("SVBB Law Offices") received a copy of the assailed Decision on 19 February 2014. Thus, petitioner had until 7 March 2014 to appeal. While the Bengzon Negre & Untalan Law Offices ("Bengzon Law Offices") entered its appearance before the IPO, no evidence was submitted before this Court showing that the Bengzon Law Offices was properly substituted as petitioner's counsel in place of SVBB Law Offices (petitioner's counsel of record). Thus, the 15-day reglementary period started to run from the date SVBB Law Offices received a copy of the Decision.

Clearly, when petitioner filed the Motion for Extension on 27 March 2014, and the Petition on 14 April 2014, the reglementary period had already lapsed.

Further, the petitioner obstinately refuses to cure the procedural infirmities we observed in the Resolution of 15 May 2014.

SO ORDERED.25

#### The Issues

Nestle presented the following issues in this petition:

1. The Honorable Court of Appeals erred in dismissing petitioner's motion for reconsideration upon an erroneous appreciation of certain antecedent facts, and similarly erred in dismissing the petition for review on procedural grounds.

2. There is merit to the substantive issues raised by petitioner, which deserves to be given due course and a final ruling.<sup>26</sup>

# The Ruling of this Court

We deny the petition.



<sup>&</sup>lt;sup>26</sup> Id. at 17-18.

Before discussing the substantive issues, we shall first discuss the procedural issues in this case.

# Nestle filed its petition for review within the period granted by the Court of Appeals.

The CA dismissed Nestle's petition for review on the ground that Nestle filed its petition for review after the 15-day reglementary period required by Section 4, Rule 43 of the Rules of Court.

The CA is wrong.

Section 4, Rule 43 of the Rules of Court states:

Section 4. *Period of appeal.* — The appeal shall be taken within fifteen (15) days from notice of the award, judgment, final order or resolution, or from the date of its last publication, if publication is required by law for its effectivity, or of the denial of petitioner's motion for new trial or reconsideration duly filed in accordance with the governing law of the court or agency *a quo*. Only one (1) motion for reconsideration shall be allowed. Upon proper motion and the payment of the full amount of the docket fee before the expiration of the reglementary period, the Court of Appeals may grant an additional period of fifteen (15) days only within which to file the petition for review. No further extension shall be granted except for the most compelling reason and in no case to exceed fifteen (15) days.

During the proceedings in the ODG-IPO, Nestle substituted its counsel, Sapalo, Velez, Bundang and Bulilan Law Offices, with Bengzon, Negre and Untalan Law Offices (Nestle's substituted counsel). On 20 September 2013, Nestle's substituted counsel entered its appearance in the ODG-IPO.<sup>27</sup> In an Order<sup>28</sup> dated 1 October 2013, the ODG-IPO noted the appearance of Nestle's substituted counsel and included their appearance in the records of the case, to wit:

Wherefore, the APPEARANCE is hereby noted and included in the records. Accordingly, let copies of all pleadings, orders, notices and communications, be sent to the aforementioned address.

SO ORDERED.<sup>29</sup>

The Decision of the ODG-IPO was received by Nestle's substituted counsel on 14 March 2014. On 27 March 2014, within the 15-day reglementary period provided for by Section 4 of Rule 43, Nestle filed a

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<sup>&</sup>lt;sup>27</sup> Id. at 404-405.

<sup>&</sup>lt;sup>28</sup> Id. at 410-411.

<sup>&</sup>lt;sup>29</sup> Id. at 410.

Motion for Extension of Time to file Verified Petition for Review<sup>30</sup> (motion for extension) with the CA. In a Resolution<sup>31</sup> dated 3 April 2014, the CA granted Nestle's motion for extension and gave Nestle until 13 April 2014 to file its petition for review. The resolution states:

The Court GRANTS petitioner's Motion for Extension of Time to File Verified Petition for Review and gives petitioner until April 13, 2014 within which to do so.<sup>32</sup>

Since 13 April 2014 fell on a Sunday, Nestle had until 14 April 2014, which was the next working day, within which to file the petition for review. Nestle did file the petition for review with the CA on 14 April 2014. Accordingly, the CA committed a grave error when it ruled that Nestle's petition for review was filed beyond the prescribed period.

Nestle failed to properly execute a certification against forum shopping as required by Section 5, Rule 7 of the Rules of Court.

Section 5, Rule 7 of the Rules of Court provides:

Section 5. Certification against forum shopping. — The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforesaid complaint or initiatory pleading has been filed.

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions. (Emphasis supplied)

<sup>32</sup> Id.

<sup>&</sup>lt;sup>30</sup> Id. at 419-422.

<sup>&</sup>lt;sup>31</sup> Id. at 424. Signed by Division Clerk of Court Atty. Celedonia M. Ogsimer.

In Zulueta v. Asia Brewery, Inc.,<sup>33</sup> this Court ruled that the requirements under the Rules of Court involving the certification against forum shopping apply both to natural and juridical persons, to wit: "[t]he requirement that the petitioner should sign the certificate of non-forum shopping applies even to corporations, considering that the mandatory directives of the Circular and the Rules of Court make no distinction between natural and juridical persons."<sup>34</sup>

In *Fuentebella v. Castro*,<sup>35</sup> this Court held that the certification against forum shopping must be signed by the principal party. In case the principal party cannot sign, the one signing on his or her behalf must have been duly authorized, to wit: "the petitioner or the principal party must execute the certification against forum shopping. The reason for this is that the principal party has actual knowledge whether a petition has previously been filed involving the same case or substantially the same issues. If, for any reason, the principal party cannot sign the petition, the one signing on his behalf must have been duly authorized."<sup>36</sup>

Juridical persons, including corporations, that cannot personally sign the certification against forum shopping, must act through an authorized representative. The exercise of corporate powers including the power to sue is lodged with the board of directors which acts as a body representing the stockholders. For corporations, the authorized representative to sign the certification against forum shopping must be selected or authorized collectively by the board of directors. In Eslaban, Jr. v. Vda. de Onorio,<sup>37</sup> this Court ruled that if the real party in interest is a corporation, an officer of the corporation acting alone has no authority to sign the certification against forum shopping. An officer of the corporation can only validly sign the certification against forum shopping if he or she is authorized by the board of directors through a board resolution or secretary's certificate. In Gonzales v. Climax Mining Ltd.,<sup>38</sup> this Court ruled that a board resolution authorizing a corporate officer to execute the certification against forum shopping is a necessary requirement under the Rules. A certification signed by a person who was not duly authorized by the board of directors renders the petition for review subject to dismissal.<sup>39</sup>

The authority of the representative of a corporation to sign the certification against forum shopping originates from the board of directors through either a board of directors' resolution or secretary's certificate which must be submitted together with the certification against forum shopping. In *Zulueta*, this Court declared invalid a petition for review with a certification

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<sup>&</sup>lt;sup>33</sup> 406 Phil. 543 (2001).

<sup>&</sup>lt;sup>34</sup> Id. at 553.

<sup>&</sup>lt;sup>35</sup> 526 Phil. 668 (2006).

<sup>&</sup>lt;sup>36</sup> Id. at 675.

<sup>&</sup>lt;sup>37</sup> 412 Phil. 667 (2001).

<sup>&</sup>lt;sup>38</sup> 492 Phil. 682 (2005).

<sup>&</sup>lt;sup>39</sup> Id. at 691.

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against forum shopping signed by the party's counsel which was not supported by a board resolution or secretary's certificate proving the counsel's authority. This Court dismissed the case and held: "[t]he signatory in the Certification of the Petition before the CA should not have been respondents' retained counsel, who would not know whether there were other similar cases of the corporation. Otherwise, this requirement would easily be circumvented by the signature of every counsel representing corporate parties."<sup>40</sup> Likewise, in *Eslaban*, this Court held that a certification signed by counsel alone is defective and constitutes a valid cause for the dismissal of the petition.<sup>41</sup>

Nestle, itself, acknowledged in this petition the absence of a board resolution or secretary's certificate issued by the board of directors of Nestle to prove the authority of Barot to sign the certification against forum shopping on behalf of Nestle, to wit: "[t]hus, while there is no board resolution and/or secretary's certificate to prove the authority of Dennis Jose R. Barot to file the petition and Verification/Certification of Non-Forum Shopping on behalf of petitioner-corporation, there is a Power of Attorney evidencing such authority."42 The power of attorney submitted by Nestle in favor of Barot was signed by Céline Jorge. However, the authority of Céline Jorge to sign the power of attorney on behalf of Nestle, allowing Barot to represent Nestle, was not accompanied by a board resolution or secretary's certificate from Nestle showing that Céline Jorge was authorized by the board of directors of Nestle to execute the power of attorney in favor of Barot. In Development Bank of the Philippines v. Court of Appeals,<sup>43</sup> this Court held that the failure to attach a copy of a board resolution proving the authority of the representative to sign the certification against forum shopping was fatal to its petition and was sufficient ground to dismiss since the courts are not expected to take judicial notice of board resolutions or secretary's certificates issued by corporations, to wit:

What petitioners failed to explain, however, is their failure to attach a certified true copy of Resolution No. 0912 to their petition for *certiorari* in CA-G.R. SP No. 60838. Their omission is fatal to their case. Courts are not, after all, expected to take judicial notice of corporate board resolutions or a corporate officer's authority to represent a corporation. To be sure, petitioners' failure to submit proof that Atty. Demecillo has been authorized by the DBP to file the petition is a "sufficient ground for the dismissal thereof."<sup>44</sup> (Emphasis supplied)

Accordingly, the CA did not err in ruling that the petition for review should be dismissed due to the failure of Nestle to comply with the proper execution of the certification against forum shopping required by Section 5, Rule 7 of the Rules of Court.

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<sup>&</sup>lt;sup>40</sup> Supra note 33, at 554.

<sup>&</sup>lt;sup>+1</sup> Supra note 37, at 675.

<sup>&</sup>lt;sup>42</sup> *Rollo*, p. 23.

<sup>&</sup>lt;sup>43</sup> 483 Phil. 216 (2004).

<sup>&</sup>lt;sup>44</sup> Id. at 221.

# Puregold's mark may be registered.

A trademark is any distinctive word, name, symbol, emblem, sign, or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold, or dealt by others.<sup>45</sup> Section 123 of Republic Act No. 8293<sup>46</sup> (RA 8293) provides for trademarks which cannot be registered, to wit:

Sec. 123. Registrability. -

123.1 A mark<sup>47</sup> cannot be registered if it:

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(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 wellknown 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;

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<sup>&</sup>lt;sup>45</sup> Dermaline, Inc. v. Myra Pharmaceuticals, Inc., 642 Phil. 503 (2010).

<sup>&</sup>lt;sup>46</sup> AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES.

<sup>&</sup>lt;sup>47</sup> A visible sign capable of distinguishing goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods.

Decision

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

# (h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

x x x x (Emphasis supplied)

In *Coffee Partners, Inc. v. San Francisco & Roastery, Inc.,*<sup>48</sup> this Court held that the gravamen of trademark infringement is the likelihood of confusion. There is no absolute standard for the likelihood of confusion. Only the particular, and sometimes peculiar, circumstances of each case can determine its existence. Thus, in infringement cases, precedents must be evaluated in the light of each particular case.<sup>49</sup>

In determining similarity or likelihood of confusion, our jurisprudence has developed two tests: the dominancy test and the holistic test.<sup>50</sup> The dominancy test focuses on the similarity of the prevalent features of the competing trademarks that might cause confusion and deception. If the competing trademark contains the main, essential, and dominant features of another, and confusion or deception is likely to result, likelihood of confusion exists. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or to deceive consumers.<sup>51</sup> In *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*,<sup>52</sup> this Court gave greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, to wit: "[c]ourts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets and market segments."<sup>53</sup> The dominancy test is now incorporated into law in Section 155.1 of RA 8293 which states:

SECTION 155. *Remedies; Infringement.* — Any person who shall, without the consent of the owner of the registered mark:

155.1 Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or **a dominant feature thereof** in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; (Emphasis supplied)

<sup>&</sup>lt;sup>48</sup> 628 Phil. 13 (2010).

<sup>&</sup>lt;sup>49</sup> Id. at 23, citing *Philip Morris, Inc. v. Fortune Tobacco Corporation*, G.R. No. 158589, 27 June 2006, 493 SCRA 333.

<sup>&</sup>lt;sup>50</sup> Id. at 23-24.

<sup>&</sup>lt;sup>51</sup> Id. at 24.

<sup>&</sup>lt;sup>52</sup> 480 Phil. 402 (2004).

<sup>53</sup> Id. at 434.

In contrast, the holistic test entails a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing on both marks in order that the observer may draw his conclusion whether one is confusingly similar to the other.<sup>54</sup>

The word "COFFEE" is the common dominant feature between Nestle's mark "COFFEE-MATE" and Puregold's mark "COFFEE MATCH." However, following Section 123, paragraph (h) of RA 8293 which prohibits exclusive registration of generic marks, the word "COFFEE" cannot be exclusively appropriated by either Nestle or Puregold since it is generic or descriptive of the goods they seek to identify. In *Asia Brewery, Inc. v. Court of Appeals*,<sup>55</sup> this Court held that generic or descriptive words are not subject to registration and belong to the public domain. Consequently, we must look at the word or words paired with the generic or descriptive word, in this particular case "-MATE" for Nestle's mark and "MATCH" for Puregold's mark, to determine the distinctiveness and registrability of Puregold's mark "COFFEE MATCH."

We agree with the findings of the BLA-IPO and ODG-IPO. The distinctive features of both marks are sufficient to warn the purchasing public which are Nestle's products and which are Puregold's products. While both "-MATE" and "MATCH" contain the same first three letters, the last two letters in Puregold's mark, "C" and "H," rendered a visual and aural character that made it easily distinguishable from Nestle's mark. Also, the distinctiveness of Puregold's mark with two separate words with capital letters "C" and "M" made it distinguishable from Nestle's mark which is one word with a hyphenated small letter "-m" in its mark. In addition, there is a phonetic difference in pronunciation between Nestle's "-MATE" and Puregold's "MATCH." As a result, the eyes and ears of the consumer would not mistake Nestle's product for Puregold's product. Accordingly, this Court sustains the findings of the BLA-IPO and ODG-IPO that the likelihood of confusion between Nestle's product and Puregold's product does not exist and upholds the registration of Puregold's mark.

WHEREFORE, we DENY the petition. We AFFIRM the 15 May 2014 Resolution and the 14 October 2014 Resolution of the Court of Appeals in CA-G.R. SP No. 134592.

#### SO ORDERED.

ANTONIO T. CARPIO Acting Chief Justice

<sup>54</sup> Id.

<sup>&</sup>lt;sup>35</sup> 296 Phil. 298 (1993).

WE CONCUR:

DIOSDADO M. PERALTA

Associate Justice

ESTELA M. BERNABE Associate Justice

ALFRED BENJAMIN S. CAGUIOA Associate Justice

ŘĚYES, JR. ANDRES B Associate Justice

# **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO Acting Chief Justice

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